Measures for Each Priority Issue

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Part II Measures for Each Priority Issue

Hereafter, in relation to Japan’s development cooperation around the world, Japan’s recent efforts regarding three key issues will be introduced. These three issues are “1. Cooperation aimed at achieving ‘quality growth,’” “2. Sharing universal values and realizing a peaceful and secure society,” and “3. Promoting efforts to address global issues and human-centered development.”

1 Cooperation Aimed at Achieving “Quality Growth”

In order to enable developing countries to achieve economic growth aimed at self-reliant development, it is essential to aim for not only quantitative economic growth but also “quality growth.” Development would be “quality growth” that is “inclusive” where the fruits of growth are shared with the society as a whole, leaving no one behind. It must also be “sustainable” in that growth can be sustained in harmony with society and the environment, and “resilient” against economic crises, natural disasters and other shocks.

These are some of the challenges that Japan tackled in its postwar history. Japan is striving to make use of its own experience, expertise and technology, as well as lessons learned in order to provide assistance to realize “quality growth” in developing countries.

(1) Development of Industrial Infrastructure and Industries, and Economic Policy

In order to achieve “quality growth,” it is important to improve the socio-economic infrastructure that serves as the foundation for the development of developing countries. Moreover, it is crucial that the private sector plays a central role, and boost private sector activities, such as the development of industries and the expansion

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1 Here, the term “development cooperation” refers to “international cooperation activities conducted by the government and related organizations for the main purpose of development in developing regions,” including ODA and other cooperation conducted in collaboration with public-private financing and activities.
of trade and investment.

In developing countries beset by numerous challenges, it can sometimes be difficult to develop capacities or set in place an environment for promoting trade and attracting private investment. Thus, support from the international community is required.

- **Japan’s Efforts**
  - **Quality Infrastructure**

  Japan develops quality infrastructure that leads to quality growth in developing countries and regions, in line with their economic and development strategies, and trains human resources to manage and operate this infrastructure. Japan’s strength lies in developing infrastructure that is truly contributory to “quality growth” in developing countries, which includes technology transfer and job creation.

  The “G7 Ise-Shima Principles for Promoting Quality Infrastructure Investment,” which was agreed at the G7 Ise-Shima Summit in 2016, is positioned as the first step towards sharing the recognition on the basic elements of “quality infrastructure investment,” or investment for the development of infrastructure that contributes to “quality growth.” The importance of the specific elements set forth in the Principles (i) economic efficiency in view of life-cycle cost, safety and resilience against natural disaster, (ii) job creation, capacity building, and transfer of expertise and know-how, (iii) social and environmental considerations, (iv) ensuring alignment with economic and development strategies, and (v) enhancing effective resource mobilization) was shared at subsequent meetings, such as the G20 Hangzhou Summit, the 6th Tokyo International Conference on African Development (TICAD VI), the East Asia Summit, and the APEC Leaders’ Meeting.

  Moreover, in its own contribution to infrastructure investment in line with the “G7 Ise-Shima Principles for Promoting Quality Infrastructure Investment,” Japan is promoting quality infrastructure investment based on the “Expanded Partnership for Quality Infrastructure,” under which it would provide a total of approximately $200 billion in quality infrastructure investment to projects worldwide, over five years from 2017. Additionally, at the TICAD Ministerial Meeting in 2018, Foreign Minister Taro Kono outlined an intention to support enhanced connectivity throughout the entire African continent and beyond, through “quality infrastructure investment.”

  Furthermore, Japan is working with organizations such as the Organization for Economic Co-operation and Development (OECD) and the EU in order to promote the international standardization of quality infrastructure investment, including the aspects of openness, transparency, economic efficiency and the financial soundness of target countries. In April 2018, Japan co-hosted the “Seminar on Promoting Quality Infrastructure” in Tokyo together with the OECD Development Centre, during which participants engaged in lively discussions about quality infrastructure. During the high-level week of the UN General Assembly in September that same year,
Japan co-hosted the UN General Assembly High-Level Side Event on “Promoting Quality Infrastructure” with the EU and the UN with the attendance of Foreign Minister Kono, leading international discussions on “quality infrastructure.” In the same month, Japan co-hosted the “ASEM Seminar on Sustainable Connectivity and Quality Infrastructure” in Tokyo together with the EU, under the Asia–Europe Meeting (ASEM), and in October, at the 12th ASEM Summit Meeting, Prime Minister Abe stated, based on the results of the seminar, that strengthening connectivity is essential for further development of Asia and Europe, and that in order to achieve this, “quality infrastructure” should become the international standard. Moreover, in September of the same year, Japan co-hosted a seminar on “quality infrastructure investment” in Tokyo together with the OECD and World Bank, at which, there was an in-depth discussion regarding the role that “quality infrastructure” should play in shrinking the supply-and-demand gap in infrastructure, as well as its component elements and the anticipated results. Moving forward, Japan aims to continue promoting initiatives toward the international standardization of quality infrastructure.

● Improving the Trade and Investment Environment

Japan utilizes ODA and Other Official Flows (OOF)* to support the development of small and medium-sized enterprises (SMEs), transfer of Japan’s industrial technology, and formulation of economic policies in developing countries. In addition, Japan supports the development of the trade and investment environment and economic infrastructures in order to enhance the export capabilities and competitiveness of developing countries.

Approximately two-thirds of the World Trade Organization (WTO) member states are developing countries, and the WTO emphasizes the significance of promoting their development through their participation in the multilateral free trading system. Japan has contributed to the trust fund set up within the WTO with an aim to strengthen the capacity of developing countries to engage in trade negotiations and participate in the global market, and to raise their ability to implement the WTO agreements.

With regard to access to the Japanese market, Japan has implemented the Generalized System of Preferences (GSP) for developing countries, which applies lower tariff rates to products from developing countries, and duty-free quota-free access* for the Least Developed Countries (LDCs)*. These schemes are intended to encourage Japan’s import of products from developing countries including the LDCs. Moreover, Japan actively promotes Economic Partnership Agreements (EPAs)* and strives to create an environment for economic growth in developing countries through liberalization of trade and investment.

Discussions regarding “Aid for Trade (AfT)”** have intensified in various international organizations, including the WTO and the OECD, as a means of further

promoting support from developed countries, such as that of Japan. Japan has provided funds for the development of transportation networks, including ports, roads, and bridges, as well as for projects to construct facilities such as power plants and power grids, all of which are vital for developing countries to engage in trade, and implemented technical cooperation in trade-related areas, including training of customs’ officials and intellectual property rights experts.

Furthermore, Japan provides assistance to small-scale production groups and small companies in developing countries for the “One Village, One Product Campaign.”** In addition, Japan supports developing countries in attracting private sector investment by identifying challenges unique to those countries and recommending measures to promote private investment.

The implementation of the “Trade Facilitation Agreement (TFA),”** which entered into force in February 2017, it is expected to improve the challenging situations Japanese companies frequently face at export destinations, such as lack of transparency, and arbitrary application of trade procedures, and to boost trade and other economic activities by Japanese companies, which not only export finished goods, but also develop supply chains on a global scale. In addition, its implementation is also expected to help developing countries to expand trade and investment by reducing the trade transaction costs, prevent illegal exports, and improve the collection of customs duties.

● Support for Mobilization of Domestic Private-Sector Resources

In order to enable developing countries to achieve quality growth by resolving various development issues under their ownership, it is critical that developing countries ensure the necessary development funds in the form of tax revenue collection or others with their own capacities. This is known as “domestic resource mobilization.” Its importance has been noted at the discussion fora of the UN, OECD, G7, G20, International Monetary Fund (IMF), and Multilateral Development Banks (MDBs). This issue is also brought up in the “2030 Agenda for Sustainable Development (2030 Agenda).”

Japan, together with the international organizations and other entities concerned, has been contributing to discussions regarding domestic resource mobilization, and provided relevant support to developing countries. For example, Japan proactively provides technical cooperation to developing countries for improving their tax administration. In 2018, Japan dispatched National Tax Agency personnel as trainers on topics including tax investigation, international taxation, tax collection, and staff training, to Cambodia, Indonesia, Laos, Myanmar, Malaysia, and Viet Nam.

With regard to programs implemented with international organizations, Japan has, for example, assisted the development of the “OECD Global Relations Programme” for more than 20 years. This Programme

* GSP: Generalized System of Preferences
* OOF: Other Official Flows
** AfT: Aid for Trade
*** TFA: Trade Facilitation Agreement
**** 2030 Agenda: United Nations Sustainable Development Goals
dispatches experts in the relevant fields of tax treaties and investigation of the taxes of multinational enterprises to developing countries to conduct seminars and lectures to deepen the countries’ understanding of taxation systems and tax enforcement. In addition, Japan provides cooperation on the human resources, expertise, and financing for technical assistance provided by the IMF and Asian Development Bank (ADB) in the field of taxation, including domestic resource mobilization, thereby contributing to strengthening capabilities in the field of taxation in developing countries including Asia.

In recent years, public opinion has taken an increasingly critical view towards the involvement of the wealthy class and multinational enterprises in international tax avoidance. In this regard, the World Bank and ADB, for example, have introduced a system for examining projects that use regions recognized as lacking in tax transparency, with issues such as insufficient effective tax information exchange, as intermediate investment regions when formulating private sector investment projects, including the cancelation of the formation of such projects. Investment through MDBs is one of the important tools for the growth of developing countries. Hence the importance of support to enhance the transparency of taxes in developing countries is increasing, from the perspective of the provision of development funds as well.

Finally, it should be pointed out that the outcomes of the OECD/G20 BEPS project* are also important for the sustainable development of developing countries. Cooperation among countries to implement the outcomes of this project will improve the transparency of companies and governments, and appropriate taxation will become possible in places where economic activities take place. Developing countries will be able to respond to the tax avoidance of multinational enterprises appropriately, and impose and collect tax properly in their own countries, and at the same time, their tax systems and tax administration will be in line with international standards, and a stable, highly predictable, and attractive investment environment will be created for companies and investors. At present, more than 120 countries and regions, including developing countries, are participating in the framework that implements measures recommended under the BEPS project.

● **Finance**

A sound and stable financial system, coupled with smooth financial and capital markets, forms an essential foundation for the sustainable economic development of

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### Mongolia

**Project for Enhancing Tax Collection Operation and International Tax Issues of Mongolian Tax Administration Phase 2**

Technical Cooperation Project (January 2017 – ongoing)

At the start of the 1990s, Mongolia made the transition from a socialist economy to a market economy. However, with the advancement of many foreign-affiliated companies and international capital into the country, Mongolia has faced challenges in improving systems and training human resources relating to international taxation, and establishing an efficient tax collection system. As a part of its support for Mongolia’s transition to a market economy, Japan has provided assistance to strengthen the functions of the Mongolian Tax Administration, such as establishing a collection system and strengthening tax administration, since 1998.

The ongoing “Project for Enhancing Tax Collection Operation and International Tax Issues of Mongolian Tax Administration Phase 2” supports the improvement and development of structures and systems relating to taxation, tax payment and collection, which were previously unclear, in order to maintain the country’s taxation rights, while responding to international demands to take countermeasures against tax avoidance by multinational corporations. A reform bill was formulated with support from this project, and is currently under deliberation by the Mongolian parliament. If the bill is approved, it is expected to lead to increased tax revenue under an appropriate tax collection system.

The project has also supported the creation of a database of taxable individuals, the establishment of a notification center* for non-payers of small amounts, and training for tax officials to strengthen their ability to collect tax, in order to make efficient demands on non-payers. From November 2013 to January 2019, training was implemented for a total of 824 tax officials in Mongolia, and thanks to the notification center, it was made possible to collect as much as 20.7032 billion tögrög (approximately 887.5 million Japanese yen) from small sums of unpaid taxes, from its founding in March 2016 to November 2018.

Japan will continue to make a contribution to strengthening the Mongolian financial base, so that the people can live secure lives, as well as establishing a fair and impartial tax administration service, to benefit Mongolian tax payers and Japanese companies doing business in the country.

* Demanding the fulfilment of debt obligations to debtors

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1 Bilateral treaties for avoiding the double taxation on income, as well as preventing the avoidance or evasion of taxes on income

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Financial Services Agency (FSA) invited officials in the development of sound financial markets. It is pivotal that financial systems in emerging countries are properly established and that assistance is provided for developing countries. As financial globalization advances, products from developing countries such as Asia and Africa, and reach out to a wider range of unique ethnic characteristics of developing countries in regions such as textiles, toys, and other attractive products that display the qualities of being charming and worth selling.

In this Campaign, efforts are being made to dig up handicrafts, traditional techniques. Such initiatives are also utilized abroad. The One Village, One Product Campaign is an initiative launched in Oita Prefecture, Japan in 1979, aimed at creating local products through the utilization of local resources and jobs and revitalizing the local community by developing unique local products. This initiative is also witnessed by the utilization of local resources and jobs and revitalizing the local community by developing unique local products. In Oita Prefecture, Japan in 1979, the One Village, One Product Campaign was launched in Oita Prefecture, Japan in 1979, aimed at creating local products. Moreover, Oita Prefecture, Japan in 1979, the One Village, One Product Campaign was launched in Oita Prefecture, Japan in 1979, aimed at creating local products.

The Trade Facilitation Agreement (TFA) is a part of the WTO Agreement in February 2017. The TFA is the first newly-created multilateral agreement that has gained the participation of all WTO member states, since its founding in 1995. According to the WTO, full implementation of the TFA could reduce the trade costs of member states by an average of 14.3%, and increase global export of goods by over $1 trillion.

Other Official Flows (OOF) OOF refers to flows of funds to developing countries from governments, which are not considered as ODA, because their main purpose is not development. Examples include export credit, direct investment by governmental financial institutions, and financing to international organizations.

Least Developed Countries (LDCs) LDCs are countries classified by the United Nations to be particularly lagging in development compared to other developing countries, based on their income levels. LDCs meet certain criteria, including per capita gross national income (GNI) of $1,025 or less between 2016 and 2018. As of 2018, there are 47 countries: 7 in Asia, 2 in the Middle East and North Africa, 33 in Sub-Saharan Africa, 1 in Latin America, and 4 in Oceania.

Duty-free quota-free access Duty-free quota-free access refers to measures implemented by developed countries to make products imported from LDCs tariff free and without any import quotas. Japan has expanded the number of applicable products under these measures, and approximately 98% of products exported from LDCs to Japan can be imported under such conditions.

Economic Partnership Agreement (EPA) EPAs are comprehensive economic agreements with specific countries, or regions, which include not only free trade agreements (FTAs) that stipulate the liberalization of trade in goods and/or services such as the reduction/elimination of tariffs, but also a wide range of areas, such as movement of people, investment, government procurement, and bilateral cooperation. These agreements are expected to further vitalize trade and investment between countries and contribute to economic growth.

Aid for Trade (AfT) AfT is assistance provided to developing countries to improve trade-related capabilities and to develop infrastructure for the purpose of achieving economic growth through trade in the recipient countries, within the multilateral trading system under the WTO.

One Village, One Product Campaign → See also “Stories from the Field” on page 17

Glossary

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*One Village, One Product Campaign
→ See also “Stories from the Field” on page 17
The One Village, One Product Campaign is an initiative launched in Oita Prefecture, Japan in 1979, aimed at creating jobs and revitalizing the local community by developing unique local products through the utilization of local resources and traditional techniques. Such initiatives are also utilized abroad. In this Campaign, efforts are being made to dig up handicrafts, textiles, toys, and other attractive products that display the unique ethnic characteristics of developing countries in regions such as Asia and Africa, and reach out to a wider range of people, thereby supporting the expansion of exports of products from developing countries.

*Trade Facilitation Agreement (TFA)
The Trade Facilitation Agreement (TFA) provides for the simplification and enhanced transparency of customs procedures aimed at trade promotion. The Protocol to make the TFA a part of the WTO Agreement in February 2017 was adopted at a special meeting of the WTO General Council in 2014. It entered into force upon its acceptance by 110 WTO member states, which corresponds to approximately two-thirds of all of the WTO member states. Japan accepted the Protocol in 2016. The TFA is the first newly-created multilateral agreement that has gained the participation of all WTO member states, since its founding in 1995. According to the WTO, full implementation of the TFA could reduce the trade costs of member states by an average of 14.3%, and increase global export of goods by over $1 trillion.

*OECD/G20 BEPS Project
Base Erosion and Profit Shifting (BEPS) refers to the issue of multinational enterprises’ aggressive tax planning practices that exploit gaps and loopholes in international tax systems, including tax treaties, in order to intentionally reduce the tax burden for economic activities that should have been taxed. In order to address this issue, the BEPS Project was launched in June 2012, by the OECD’s Committee on Fiscal Affairs (led by a Japanese Chair until the end of 2016), with the aim of ensuring fair competition and making international taxation rules conform with the situation of the global economy and company trends, as well as reviewing international taxation rules across the board in order to raise transparency among all governments and global companies.

Under the BEPS project, the BEPS Action Plan was presented in 2013, and the BEPS Final Reports were released in 2015. In 2016, the “First Meeting of the Inclusive Framework on BEPS” was held in Kyoto to kick-off the BEPS implementation phase ("post BEPS"), and Japan led the discussions in cooperation with the OECD, developing countries, and relevant international organizations to ensure that the outcomes of the BEPS Project are shared widely in the international community. As of February 2019, more than 120 countries and regions are participating in the inclusive Framework on BEPS.

Japan has also actively participated in negotiations for a “Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (BEPS MLI),” and the Convention was opened for signatures at the end of 2016. A signing ceremony for the Convention was held in June 2017, wherein Japan signed the Convention as well. As of February 25, 2019, 85 countries and regions have signed the Convention, and 21 including Japan have concluded agreements.
(2) Vocational Training, Industrial Human Resources Development, and Employment Creation

To support quality growth in countries, it is essential for their populations to acquire the necessary vocational skills. In developing countries, however, opportunities to receive quality education and training are limited. Moreover, the ineffective use of human resources tends to stifle opportunities for earning sufficient income. A shortage of appropriate human resources, thus poses a major obstacle to industrial promotion and industry development.

“Work” constitutes a fundamental activity of mankind that shapes society. Increasing income by getting a job (employment) is an important means for improving the living standards of people. Nevertheless, the global employment situation is uncertain, and although the unemployment rate is expected to decline slightly in 2018, the number of unemployed is expected to remain flat at over 192 million. Additionally, another 1.3 million are estimated to become unemployed in 2019. In order to create stable employment under these circumstances, each country must urgently prepare for risks by building social safety nets, as well as engage in an international effort to realize “decent work,” established as Goal 8 of the SDGs.

Japan's Efforts

- Vocational Training and Industrial Human Resources Development

Based on requests from developing countries to develop human resources who can respond to diverse needs in technology and related technical skills, Japan provides support to leading polytechnic and public vocational training schools, which will serve as core centers in each country. In implementing this assistance, Japan, in cooperation with the private sector, supports the capacity building of teachers and trainers, the reinforcement of the operational capacity of training schools, and curriculum improvement, in order to further strengthen the linkages between education and employment.

In the field of industrial human resources development, Japan implemented 63 comprehensive cooperation projects in 31 countries between 2000 and 2018. The projects drew on Japan’s insight and know-how for the development and revision of curriculums and teaching materials, capacity enhancement of trainers, and collaboration with the industry sector. As a result, Japan provided support for improving facilities and equipment at 12 schools in six countries, as well as Technical and Vocational Education and Training (TVET) institutions. Japan also contributed to skill development through 14 projects in eight countries, with the aim of improving the livelihoods of women, the disabled, demobilized soldiers, as well as refugees and others whose lives have been impacted by conflict.

Upon highly exceeding the goal of developing 40,000 industrial human resources in three years under the “Industrial Human Resource Development Cooperation Initiative” announced at the Japan-ASEAN Summit Meeting in 2015, with a view towards the 50th anniversary of ASEAN-Japan Friendship and Cooperation in 2023, Japan announced the “Industrial Human Resource Development Cooperation Initiative 2.0,” at the November 2018 Japan-ASEAN Summit Meeting which aims to develop 80,000 industrial human resources in the Asia region over the next five years. The initiative calls for new cooperative fields, which include cooperation in digital fields such as AI, in addition to cooperation in practical technology, design and development capabilities, innovation, management, planning and management capabilities, that have been emphasized. In addition, at TICAD VI in 2016, Prime Minister Abe stated his intention to leverage Japan's expertise in high-quality, and to go ahead with human resource development for approximately 10 million people within three years, between 2016 and 2018.

Furthermore, under the “Japan Revitalization Strategy 2016” (decided by the Cabinet in 2016), with the aim of contributing to fostering innovation in both Japan and developing countries in Asia, Japan decided to launch a new initiative (“Innovative Asia” Initiative) for circulation of competent human resources between Japan and Asian countries offering study opportunities and internships in Japan for approximately 1,000 talented students from Asia over five years from FY2017. This new initiative was highly welcomed by partner countries on occasions such as summit meetings. Under the initiative, 152 people came to Japan for training in FY2017, and 74 in FY2018.

As for the Ministry of Health, Labour and Welfare (MHLW), it conducts trainings and etc. in Japan primarily for Southeast Asian countries, with which Japan has been expanding and deepening economically interdependent relationships. The trainings are designed to transfer the government and private sector’s accumulated know-how on Japan’s skills evaluation system (Japan’s National Trade Skill Test and Certification), with a view to strive for developing and securing a quality workforce. In FY2017, a total of 260 people from six countries participated in these training programs. The training is expected to develop and improve skills evaluation systems in these countries, which in turn will promote the development of their skilled workers and elevate their social standing through increased employment opportunities.

In addition, through Japan’s voluntary contributions to the International Labour Organization (ILO), the ILO’s Skills and Employability Programme in Asia and the Pacific (SKILLSAP) conducted surveys, studies, and seminars regarding vocational training policies.
Zambia

Zambia’s industrial structure has been a problem, as it is highly reliant on copper resources, which are highly influenced by international market conditions. Therefore, to address this issue, the government has been working on establishing an attractive environment for investors, by providing them with incentives, and planning and enhancing its complex special economic zone, with an aim to promote economic growth by diversifying Zambia’s industry through increased foreign investment.

The private sector in Zambia is made up of a small number of large companies and a large number of micro, small and medium enterprises (MSMEs). Large companies are structured to be able to pass high production costs onto their sales prices, but most of the domestic industry, which is primarily made up of MSMEs, is stuck with low productivity.

In response, Japan introduced the KAIZEN approach, a common practice in Japanese workplaces wherein small groups proactively implement quality control activities by themselves. This approach has started to be widely rolled out in Zambia. In Phase 1, which preceded this project, the KAIZEN Institute of Zambia was established to promote the dissemination of KAIZEN activities. Japan also supported the capacity-building of the organization and its personnel. The present cooperation project, Phase 2, is enhancing systems for the continuous spread and expansion of KAIZEN, and contributing to improved quality and productivity in both the private and public sectors, through efforts to implement a system for the sustainable dissemination and expansion of KAIZEN, particularly by implementing activities to disseminate this approach nationwide and strengthening the KAIZEN instructor training system.

**Employment**

Japan also provides support in the area of employment. The question of how to address issues such as response to serious industrial accidents that occur frequently, and protecting the rights of workers and stabilizing employment amidst the expansion of the global supply chain, is a common issue for each country. In light of this, the improvement of the working environment from a global perspective is becoming an increasingly important issue. To cope with these problems, Japan provides technical cooperation that supports developing countries primarily in Asia, focusing on the enhancement of security and hygienic standards of work, as well as improvement of employment legislations and its implementing systems for the improvement of working environments, through means such as voluntary contributions to the ILO. Japan is also engaged in realizing “decent work,” such as by providing support in Africa, including support for youth employment in Gambia.
(3) Promotion of Information and Communications Technology (ICT), Science, Technology, and Innovation, and Research and Development

The dissemination of Information and Communications Technology (ICT) contributes to the upgrading of industry, the improvement of productivity, the achievement of sustainable economic growth, as well as addressing issues related to medical care, education, energy, environment, disaster risk reduction, and other social issues in developing countries. Furthermore, the utilization of ICT improves their democratic foundation by encouraging information disclosure by governments and establishing broadcasting media. In this way, ICT is extremely important for strengthening civil society through enhanced convenience and improved services as well as for quality growth.

Amidst the globalization and growing openness of research and development through the rapid development of ICT, science, technology, and innovation are undergoing fundamental transformations. The importance of international cooperation that harnesses the power of science, technology, and innovation, is also recognized in the implementation of the SDGs, which require comprehensive solutions by 2030 for a wide range of issues covering the economy, society, and environment. In light of this, there is a call for more strategic and proactive efforts in science and technology diplomacy.

- **Japan's Efforts**
  - **Information and Communications Technology (ICT)**

    In 2017, Japan formulated the Playbook for Investment in “Quality ICT Infrastructure” for ICT policymakers and procurement managers of the respective countries and regions in order to promote quality infrastructure investment in the field of ICT, with the aim of eliminating the ICT disparities that exist between countries and regions, and to help improve the quality of life of all people.

    Moreover, Japan actively offers assistance centered on the establishment of communications and broadcasting equipment and facilities in developing countries, and the introduction of the technology and systems they require, and relevant human resources development. Specifically, Japan makes proactive efforts to provide comprehensive support for the overseas promotion of Integrated Services Digital Broadcasting-Terrestrial (ISDB-T)*, which is also an effective means for boosting Japan’s economic growth, in the areas of maintenance, personnel and systems. As of December 2018, ISDB-T is being spread in Latin America and the Caribbean, Asia and Africa, and has been adopted in a total of 18 countries. A JICA training program is conducted every year for countries adopting or considering ISDB-T to promote the spread and introduction of ISDB-T overseas. In order to increase the adoption of ISDB-T in other countries, the Ministry of Internal Affairs and Communications (MIC) is also promoting assistance that offers ICT solutions to resolve social issues by way of dialogues and joint projects with partner governments.

    MIC contributes in the field of overseas deployment of ICT for disaster risk reduction. Japan’s ICT for disaster risk reduction makes it possible to collect, analyze and distribute disaster information in an integrated manner, allowing detailed information to be communicated swiftly and infallibly at the community level, including to the public. MIC continues to cooperate in the field of overseas deployment of ICT for disaster risk reduction and thereby contribute to increasing the disaster reduction capabilities of developing countries. (see page 63 for more information on disaster risk reduction.)

    Japan also actively carries out projects in collaboration with international organizations. Japan works with the International Telecommunication Union (ITU),* a specialized UN agency that is responsible for telecommunications, to provide a variety of development assistance in the field of telecommunications to developing countries. Particularly, in the fields of disaster risk reduction, health care, and cybersecurity, Japan organized workshops covering these areas in cooperation with ITU Telecommunication Development Sector (ITU-D) Study Groups, aimed at human resources development in developing countries.

    In May 2018, Japan also hosted a panel discussion on early warning systems in Switzerland. Also, in October the same year, Japan additionally hosted workshops in Switzerland regarding disaster management training using an emergency communication system, the introduction of

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* ICT is short for Information and Communications Technology. ICT is technology that integrates computers and other information technology with digital communication technology, as represented by the Internet and mobile phones.

* The 18 countries are Brazil, Peru, Argentina, Chile, Venezuela, Ecuador, Costa Rica, Paraguay, the Philippines, Bolivia, Uruguay, Botswana, Guatemala, Honduras, Maldives, Sri Lanka, Nicaragua, and El Salvador (as of December 2018).
new digital healthcare technology, and new challenges in cybersecurity. These workshops provided an opportunity for Japan to present its leading ICT technology and systems in the fields of disaster risk management and healthcare, as well as its policies and initiatives regarding cybersecurity. Each workshop was attended by around 50 to 80 participants, and were highly appreciated. Furthermore, in addition to the aforementioned topics, Japan is proactively contributing to the information sharing between countries, including developing countries, by submitting papers on specific examples of Japan’s good practices on topics such as accessibility, smart society, and environmental issues, to the relevant ITU Study Groups.

In the Asia-Pacific region, the Asia-Pacific Telecommunity (APT), an international organization in the field of information and communications, contributes to the balanced development of the telecommunications and information infrastructure in the region. The APT hosts a ministerial-level meeting once in every five years to further strengthen regional cooperation to support the advancement of ICT in the Asia-Pacific region, and issues a joint statement setting the medium-term direction of ICT initiatives. In 2014, the APT Ministerial Meeting was held in Brunei Darussalam, and adopted a joint statement for the 38 member states and APT to cooperate on efforts to build a “Smart Digital Economy” in the region.

In order to promote the capacity building (human resource development) programs, which have been positioned as one of the priority areas under the joint statement, Japan assists in the large number of training programs conducted by APT every year. In 2016, APT launched a training program for young administrative officials to help them enhance skills in playing an active role in international conferences. The second series of this program was held in 2017, and was attended by 30 participants. As ICT is a field that is not restricted to one country, it is important to coordinate the views of various stakeholders overseas. Hence, by improving their presentation and negotiation skills at international conferences through this training program, young administrative officials from APT member states are expected to build interpersonal networks while further advancing international cooperation and collaboration. The next Ministerial Meeting is planned to be held in June 2019 in Singapore.

Furthermore, in the Association of Southeast Asian Nations (ASEAN), ICT was identified as a key driver in ASEAN’s economic and social transformation under the blueprints adopted at the ASEAN Summit in November 2015 that provide new indicators leading up to 2025. Also, at the ASEAN Telecommunications and Information Technology Ministers (TELMIN) Meeting held in the same month, the “ASEAN ICT Masterplan 2020 (AIM2020)” that serves as ASEAN’s ICT strategy towards 2020 was formulated. Moreover, with regard to the issues of cyber-attacks that have become key concerns of countries in recent years, Japan and ASEAN have agreed to further strengthen their cooperation in the information security field.

Given this context, the basic assistance policies made by the relevant ministries and agencies to strategically and efficiently provide all-Japan support for capacity building in the cyber security field in developing countries were reported to the cyber security strategy headquarters in 2016. As one initiative within this efforts, the “ASEAN-Japan Cybersecurity Capacity Building Centre (AJCCBC)” was established in Bangkok, Thailand in September 2018 through the Japan-ASEAN Integration Fund (JAIF) to support human resources development in the cyber security field for the ASEAN member states.
Japan will actively provide support in line with the basic assistance policies, mainly to the ASEAN countries for the time being.

**Promoting Science, Technology and Innovation, and Research and Development**

Based on the necessity raised in the international community to formulate a roadmap to facilitate the greatest use of science, technology and innovation (STI) towards the achievement of the SDGs, Japan presented the “Recommendation on STI to Achieve the SDGs and its Guiding Tool, the STI Roadmap - To Think, Proceed and Create Together with the World -” submitted by the Advisory Board for the Promotion of Science and Technology Diplomacy, chaired by Dr. Teruo Kishi, Science and Technology Advisor to the Minister for Foreign Affairs, at the third United Nations (UN) STI Forum held in June 2018. The recommendation states that a roadmap is a vital “communication tool” which allows multiple stakeholders, such as governments, academia, industry, the private sector, financial organizations and NGOs to visualize what actions must be taken by when. It also emphasizes the need for Japan to share perspectives with people around the world and create together, as it leads efforts toward formulating a roadmap, in order to contribute to the international community. The importance of formulating a roadmap was reflected in the STI Forum Co-Chairs’ Summary, and was reported at the High-level Political Forum on Sustainable Development (HLPF) organized by the UN Economic and Social Council in July of the same year.

In addition, as a major program for Japan’s science and technology diplomacy, the Science and Technology Research Partnership for Sustainable Development (SATREPS) program*, which links ODA and the science and technology budget, was launched in 2008, and by 2018, 133 joint research projects in 50 countries around the world has been adopted.

Japan is also strengthening assistance for overseas engineering universities to develop networks among the next-generation based on cooperation for human resources development. In Asia, Japan provides support to the Malaysia-Japan International Institute of Technology (MJIIT) by purchasing equipment and supplies for education and research as well as developing curriculums.

*International Telecommunication Union (ITU)*

ITU is a UN specialized agency, which covers the fields of telecommunications and broadcasting (HQ: Geneva, Switzerland; 193 member states). To ensure that people around the world are able to make use of telecommunications technologies, ITU organizes the following: (i) international allocation of radio frequencies used in mobile phones, satellite broadcasting, and other technologies, (ii) international standardization of telecommunications technologies, and (iii) support for development in the field of telecommunications in developing countries.

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**Glossary**

*Integrated Services Digital Broadcasting – Terrestrial (ISDB-T)*

ISDB-T is a terrestrial digital broadcasting system that was developed in Japan. Its functions, such as emergency alert broadcast, TV reception on mobile terminals, and data broadcasting, give the system advantages in disaster response and the provision of diverse services.
(4) Efforts on Debt Issues

As long as developing countries can effectively use the funds they receive through loans, debt can be useful in achieving economic growth. However, if a country has limited repayment capacity and becomes overburdened with excessive debt, such debt could inhibit sustainable growth, and thus pose a significant challenge to developing countries.

Such debt issues must be resolved by the indebted countries themselves by putting forward reforms and other efforts. However, their excessive debt must not stand in the way of their development path. At the G8 Gleneagles Summit (the United Kingdom) held in 2005, the G8 countries agreed on a proposal called the Multilateral Debt Relief Initiative (MDRI) to reduce 100% of the debts that the Heavily Indebted Poor Countries (HIPCs) owe to the IMF, the International Development Association (IDA), and the African Development Fund (AfDF).

As for the debt issue faced by the poorest countries, 39 countries have become eligible for the Enhanced HIPC Initiative (MDRI) to reduce 100% of the debts that HIPCs owe to the IMF, the International Development Association (IDA), and the African Development Fund. As of the end of FY2017, Japan has cancelled ODA debts worth a total of ¥1.290 trillion towards 33 countries since FY2003. However, in 2018, as well as in 2016, no debt relief measures have been taken.

Furthermore, some low-income and middle-income countries, other than HIPCs, may owe heavy debts, and appropriate measures must be taken to make sure such debts do not prevent their stable medium to long-term development. In 2003, the Paris Club adopted a new approach to debt restructuring (the Evian Approach), which examines measures that correspond to the respective situations of low-income and middle-income indebted countries other than HIPCs, while focusing more on debt sustainability of the recipient countries. The approach takes comprehensive debt relief measures for a country that faces difficulty concerning their repayment capacity due to their large debt volume, from the perspective of debt sustainability, as long as the country meets certain criteria.

Japan’s Efforts

In providing ODA loans, Japan makes its decisions based on the careful consideration of the cooperation structure, debt repayment ability, operational capacity, and credit protection measures, etc. of the recipient countries. In most cases, the recipient countries do repay their loans, but there are also exceptional cases in which they face serious difficulties in their repayment due to events that could not be foreseen when they received ODA loans. In such cases, based on international agreements such as the aforementioned Enhanced HIPC Initiative and Paris Club agreements, Japan takes debt relief measures such as debt rescheduling, cancellation and reduction only when they are absolutely necessary. As of the end of 2017, Japan has cancelled ODA debts worth a total of approximately ¥1.290 trillion towards 33 countries since FY2003. However, in 2018, as well as in 2016, no debt relief measures have been taken.

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7 An initiative agreed at the Cologne Summit (Germany) in 1999.
8 The Paris Club is an informal group of creditor countries to discuss the rescheduling of public debts. The name of the Paris Club derives from the fact that France has chaired meetings and invited creditor countries to Paris upon requests from indebted countries.
9 Debt rescheduling is one form of debt relief, wherein payment is postponed for a certain period of time in order to reduce the burden of debt payment on the indebted country.