

Part II

Measures for Each Priority Issue



A Japan Overseas Cooperation Volunteer (JOCV) teaching math to students at an elementary school in Guatemala (Photo: JICA)

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Part II Measures for Each Priority Issue

In Part II, in relation to Japan's development cooperation ¹ 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 security."

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1. Cooperation Aimed at Achieving "Quality Growth"

In order for developing countries to achieve economic growth aimed at self-reliant development, it is essential that the growth is "quality growth." "Quality growth" is "inclusive," wherein the fruits of growth are shared with the society as a whole, leaving no one behind. At the same time, it must 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 has tackled in its postwar history. Japan is providing support to enable developing countries to achieve "quality growth" by utilizing its experience, expertise, lessons learned, and technology.

(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 development. Moreover, it is crucial that the private sector plays a key role, and it is indispensable to boost private sector activities, such as the development of industries and the expansion of trade and investment. In developing countries, however, 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

Developing countries continue to have an enormous demand for infrastructure. It is forecasted that the infrastructure supply and demand gap by 2040 is approximately \$15 trillion (source: G20 Global Infrastructure Hub [GIH]). However, it is essential to promote quality infrastructure focusing not only on quantity but also on quality to achieve "quality growth" in developing countries.

Specifically, when investing in infrastructure, it is important that openness, transparency, economic efficiency in view of life-cycle cost, and macro (country)-

level debt sustainability be secured to develop "quality infrastructure" that genuinely contributes to "quality growth." Furthermore, it is crucial that infrastructure is not only safe and resilient against disasters, but is also inclusive, leaving no one behind, and is sustainable with considerations given to social and environmental impacts. Japan develops "quality infrastructure" in line with the economic and development strategies of developing countries and trains human resources to maintain and operate the infrastructure. Japan's strength lies in helping develop infrastructure that is truly contributory to "quality growth" in developing countries, which also includes technology transfer and job creation.



Nhat Tan Bridge in Viet Nam built with Japanese ODA loan (Photo: JICA)

The "G7 Ise-Shima Principles for Promoting Quality Infrastructure Investment," which was agreed on at the G7 Ise-Shima Summit in 2016, is positioned as the first step toward sharing the recognition on the basic elements of "quality infrastructure investment," or investment for the development of infrastructure that contributes to "quality growth." Furthermore, the importance and various elements of quality infrastructure investment were also agreed upon at the G20 Hangzhou Summit held under China's Presidency. Based on the agreements by the G7 and the G20 thus far, discussions were carried out at G20 meetings under Japan's Presidency toward formulating principles to maximize the positive impacts brought about by infrastructure investment on the economy, environment, society, and development, while

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.

newly incorporating components such as strengthening infrastructure governance, including debt sustainability at the country level. As a result, at the Osaka Summit held in June 2019, the leaders of the G20, including emerging donors, endorsed the “G20 Principles for Quality Infrastructure Investment,” which incorporated elements such as (i) openness, (ii) transparency, (iii) economic efficiency in view of life-cycle cost, and (iv) debt sustainability as principles that show the common strategic direction and vision concerning future quality infrastructure investment. In order to promote the G20 Principles, the Organisation for Economic Co-operation and Development (OECD) prepared the “OECD Compendium of Policy Good Practices for Quality Infrastructure Investment,” a document compiling the matters that should be considered by countries when developing and implementing policies. In November 2020, Japan and the OECD co-organized an event to commemorate the completion of the Compendium, at which Parliamentary Vice-Minister for Foreign Affairs Nakanishi delivered remarks regarding the importance of quality infrastructure investment. Since then, the importance of quality infrastructure investment has been confirmed at bilateral meetings and various multilateral conferences.

In this context, at the Japan-ASEAN Summit Meeting in November 2020, Japan launched the “Japan-ASEAN Connectivity Initiative” with a focus on quality infrastructure projects worth ¥2 trillion and announced that it would help strengthen land, sea, and air corridor connectivity through infrastructure development together with human resources development of 1,000 individuals in three years.

In order to achieve quality growth globally, the Government of Japan will continue to promote the “G20 Principles for Quality Infrastructure Investment” across the international community. Moreover, Japan will cooperate with countries around the world, including in Asia, as well as international organizations, such as the World Bank, the Asian Development Bank (ADB), and the OECD, to make efforts to implement “quality infrastructure investment.”



New car model of Indonesia's Jakarta Mass Rapid Transit (MRT) that opened in March 2019. The transit system was completed by fully integrating Japanese technology and operating know-how. (Photo: JICA)

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.

At the Seventh Tokyo International Conference on African Development (TICAD7) held in Yokohama in August 2019, the focus of discussion was business promotion, and the Public-Private Business Dialogue was held as one of the six plenary sessions. It was the first face-to-face dialogue in the history of TICAD between the public and private sectors from both Africa and Japan, positioning private companies as official partners. At the session, concrete suggestions were put forward for expanding trade and investment between Japan and Africa, and strong expectations were expressed toward expansion of Japan's direct investment and support for private-sector development, including human resources development in Africa. In addition, then Prime Minister Abe stated that the Government of Japan would exert every effort to further increase private investment in Africa, which was at a level of \$20 billion over the past three years.

In 2020, business between Japan and Africa temporarily stagnated as overseas travel became difficult due to COVID-19. Although there were initial fears of cases exploding in Africa, the disease spread relatively slowly and the mortality rate remained low, as African countries quickly strengthened their border control measures and restrictions on domestic travel. Under these circumstances, in autumn 2020, regular commercial flights resumed in many countries, and Japanese company employees began to return to their assignments in Africa. Japanese companies operating in the continent are exploring business opportunities during and after COVID-19 while preventing infection. To encourage this trend, the Government of Japan will continue to make every effort to support the expansion of Japanese companies into Africa by promoting industrial human resources development as well as innovation and investment.

In addition, the World Trade Organization (WTO) emphasizes the significance of promoting the development of developing countries through their participation in the multilateral free trading system. Japan has contributed to, for example, the International Trade Centre (ITC), which is an international organization specializing in Aid for Trade (AfT)*, 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.

India

Project on Champions for Societal Manufacturing Technical Cooperation Project (April 2013 – (ongoing))

The Government of India is focusing on strengthening its manufacturing sector for further economic growth of the country. One of the challenges is the shortage of human resources who can serve as senior managers in the manufacturing sector. In recent years, new social needs such as responses to environmental pollution and resource conservation as well as business development targeted at the poor have emerged, and thus it is important to train senior managers who can respond to these new changes for the sustainable and comprehensive development of the industry.



Training participants presenting their business plans and exchanging opinions for waste management in India based on what they learned during their training in Japan (Photo: JICA)

This project is based on the framework of the Visionary Leaders For Manufacturing (VLFM) Program*, which was established under the “VLFM Project” conducted by Japan from 2007 to 2013. Up until now, leveraging Japan’s manufacturing experience, the project has developed human resources with the skills to lead the manufacturing sector by providing human resource development assistance to more than 1,000 companies and training more than 1,200 senior and middle managers across India.

In addition to dispatching experts from Japan to provide technical knowledge and skills regarding how to improve cooperation between vendors of product parts and their subcontractors, there are also training courses that include environmental friendliness and focus on growth where no one will be left behind. Furthermore, the project offers training programs in Japan in order to convey the spirit of Japanese-style manufacturing and management methods and contributes to transforming the awareness of the participating senior management candidates through visits to manufacturing sites and research and presentations on Japanese society and culture.

This project has received extremely high praise from the Government of India, and it is expected to strengthen the foundation for India’s manufacturing sector through promoting Japanese-style management methods.

*The program consists of the Senior Managers Course targeting senior and middle managers, the Middle Managers Course targeting middle manager candidates with manufacturing sector experience (degree-accredited program at graduate schools), and the VSME Course targeting subcontracting SMEs.

With regard to access to the Japanese market, Japan has implemented the Generalized System of Preferences (GSP), which applies tariff rates that are lower than the general tariff to products originating from developing countries. Furthermore, for the Least Developed Countries (LDCs)*, Japan applies duty-free quota-free access* by introducing a special preferential treatment. Through these schemes, Japan intends to encourage the import of products from developing countries. Moreover, Japan is actively promoting Economic Partnership Agreements (EPAs)* and investment agreements, and it is expected that facilitation of business environment through liberalization and protection of trade and investment will encourage Japanese companies to advance into markets in developing countries, and by extension, contribute to economic growth in developing countries.

Discussions regarding 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 is providing 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. Japan is also implementing technical cooperation in trade-related areas, including



Thilawa Port in Myanmar constructed with Japanese ODA loan. The port serves as a gateway to the Thilawa Special Economic Zone (SEZ) developed with Japanese public and private sector involvement. (Photo: JICA)

the training of customs officials and intellectual property rights experts.

Regarding support for customs in developing countries, mainly ASEAN member states, among such technical cooperation, Japan has actively provided support aimed at improving the capacity of customs in developing countries through sharing of Japan’s expertise and skills in customs. Through contributions to the World Customs Organization (WCO), Japan supports capacity

building activities implemented by the WCO and helps to facilitate international trade while securing safety through promoting the introduction and wider adoption of WCO tools and best practices. In addition, Japan dispatches its customs officials as JICA long-term experts to six ASEAN countries ² to provide support tailored to the needs of individual fields. In Africa, under a JICA/WCO joint project, Japan is implementing a program to train instructors who will play leading roles in customs administrations in various countries.



Customs officials from East African countries visiting customs in Thailand and listening to experts under the Project on Capacity Development for Trade Facilitation and Border Control in East Africa (Photo: JICA)

Furthermore, Japan provides assistance to small-scale production groups and small companies in developing countries over the “One Village, One Product Campaign.”* In addition, to attract private sector investment in developing countries, Japan advances support by identifying unique challenges in those countries and by offering recommendations or advice to local governments. Moreover, the implementation of the “Trade Facilitation Agreement (TFA),”* which entered into force in February 2017, 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 expected to help developing countries to expand trade and investment by reducing trade transaction costs, prevent illegal exports, and improve the collection of customs duties.

*** Support for Mobilization of Domestic 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 United Nations (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, is contributing to discussions regarding domestic resource mobilization and providing relevant support to developing countries. For example, Japan proactively provides technical cooperation to developing countries for improving their tax administration. In 2020, Japan dispatched National Tax Agency personnel as lecturers on topics including tax audits, base erosion and profit shifting (BEPS), and trial work ³ to Myanmar, the Philippines, and Indonesia. In addition to these programs implemented with international organizations, Japan has assisted the development of the “OECD Global Relations Programme” for more than 20 years. This Programme dispatches experts to developing countries in the relevant fields of tax treaties ⁴ and investigation of the taxes of multinational enterprises to conduct seminars and lectures to deepen the understanding of taxation systems and tax enforcement. Japan also provides cooperation on the human resources, expertise, and financing for technical assistance provided by the IMF and 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 toward the involvement of the wealthy class and multinational enterprises in international tax avoidance. The World Bank and ADB, for example, have introduced systems for examining private sector investment projects in this regard. Using such systems, they may cancel project formulation if zones recognized as lacking in tax transparency, such as unclarity of effective tax information, are used as investment transit points. Investment through MDBs is one of the important tools for the growth of developing countries. Hence, support to enhance the transparency of taxes in developing countries is becoming ever more essential from the perspective of financing for development as well.

² The six countries are: Cambodia, the Philippines, Malaysia, Myanmar, Laos, and Thailand.

³ Work to evaluate the propriety of fact-finding in the taxation concerned and to examine whether laws, regulations, and notifications are properly applied to the action.

⁴ Bilateral treaties for avoiding double taxation on income, as well as preventing the avoidance or evasion of taxes on income.

Furthermore, the outcomes of the OECD/G20 BEPS Project*, which was launched in 2012 by OECD's Committee on Fiscal Affairs to prevent aggressive tax planning measures by multinational enterprises, 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. 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 139 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 developing countries. As financial globalization advances, it is pivotal that financial systems in emerging countries are properly established and that assistance is provided for the development of sound financial markets.

Based on this concept, in February 2020, the Financial Services Agency (FSA) invited officials in securities regulatory authorities from developing countries, including from Asia, to a training program conducted by FSA officials and others in Japan. This training program covered areas such as the initiatives as well as the regulatory and supervision systems in Japan's securities sector.

= Glossary

***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, the leniency of their conditions does not reach the standards, and/or other reasons. Examples include export credit, direct investment by governmental financial institutions, and financing to international organizations.

***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 and poverty reduction through trade in developing countries under the WTO's multilateral trading system.

***Least Developed Countries (LDCs)**

According to the classification by the UN, LDCs are countries particularly behind in development compared to other developing countries based on their income levels. LDCs meet certain criteria, including gross national income (GNI) per capita of \$1,025 or less on average between 2014 and 2016. As of 2020, there are 46 eligible countries: 7 in Asia, 2 in the Middle East, 33 in Africa, 1 in Latin America, and 3 in Oceania.

***Duty-free quota-free access**

A measure to make products imported from LDCs tariff free and without any import quotas. Japan has been expanding the number of applicable products under this measure, and approximately 98% of all products can be imported under such conditions.

***Economic Partnership Agreement (EPA)**

EPAs are agreements for strengthening a wide range of economic relations, incorporating not only elements of Free Trade Agreements (FTAs) that are aimed at reducing and eliminating tariffs on goods and barriers to trade in services between specific countries and regions, but also elements of cooperation in various sectors such as investment, movement of persons, protection of intellectual property, and rulemaking on competition policy. These agreements are expected to further vitalize trade and investment between countries and accelerate economic growth.

***One Village, One Product Campaign**

The One Village, One Product Campaign is an initiative, which was launched in Oita Prefecture, Japan in 1979 and prevails globally, that aims to create jobs and to revitalize local communities through promoting unique products that take advantage of local resources and traditional techniques. In Asia and Africa, this Campaign facilitates expanding exports of developing countries' products by discovering attractive goods, such as handicrafts, textiles, and toys that represent the unique ethnic characteristics of those countries and by reaching out to a wider range of people.

***Trade Facilitation Agreement (TFA)**

The TFA is an agreement that stipulates the simplification and enhanced transparency of customs procedures aimed at trade promotion, and entered into force 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.

***Multilateral development banks (MDBs)**

MDBs is a collective term for international organizations that provide comprehensive support for poverty reduction and sustainable economic and social development in developing countries through financial assistance, technical assistance, and intellectual contributions. The term MDBs generally refers to the World Bank Group, which provides support worldwide, and to four regional development financial institutions that provide support to their respective regions, namely, the ADB, the Inter-American Development Bank (IDB), the African Development Bank (AfDB), and the European Bank for Reconstruction and Development (EBRD).

***OECD/G20 BEPS Project**

Base erosion and profit shifting (BEPS) refers to the issue of multinational enterprises' aggressive tax planning measures 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. As of February 2021, more than 139 countries and regions are participating in the Inclusive Framework on BEPS. As of December 2020, 93 countries and regions have signed the “Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (Multilateral Instrument: MLI),” and 59 countries and regions including Japan have concluded the Convention.



Japanese Companies Forge Ahead with Palau Airport Project

—An all-Japan initiative contributing to the development of Palau's tourism industry—

In Palau, the tourism industry accounts for over 70% of its GDP, and tourism supports the country's financial and industrial sectors. However, due to a rise in the number of tourists since 2015, the number of passengers using the country's only international airport, Palau International Airport, has been exceeding the capacity of available airport facilities, causing issues such as long lines at immigration and check-in counters at peak times. The expansion of airport facilities and operational improvements are therefore crucial in the continued development of Palau as a tourism-oriented country.

To resolve these issues, Japan has been implementing the "Renovation, Expansion and Management of Palau International Airport Project" in Palau since 2019.

This project is a joint venture between Sojitz Corporation, a company with a wealth of knowledge on the aviation industry and connections with airlines, Japan Airport Terminal Co., Ltd. (JAT), a company with operational expertise of Haneda Airport's passenger terminals and an excellent reputation internationally, and the Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN). The project was launched thanks to a boost from financing under JICA's Private-Sector Investment Finance (PSIF) scheme^{*1}; the first implementation of the PSIF in the Oceania region. Upon embarking on the project, Sojitz and JAT first deepened their investigation via a JICA preliminary survey, and after that, Sojitz, JAT, and JOIN established a local airport operations company called Palau International Airport Corporation (PIAC) with the Government of Palau. Since then, renovation and expansion of the existing terminal at Palau International Airport is being carried out alongside operation and maintenance work, and know-how on airport operation is being passed onto Palau, all through PIAC. The existing terminal, which is currently under renovation, was itself originally constructed in 2003 with Grant Aid from Japan, and it is Japan's consistent support that has led to the development of the present project.

Mr. ASAEDA Masahiro, formerly on secondment to PIAC from Sojitz, talks about the circumstances that led to the project's implementation as follows: "Sojitz and JAT have long had a keen interest in engaging in airport operations both within Japan and overseas. We set our sights on Palau, a country that has a friendly relationship and close ties with Japan, as we would be able to utilize the expertise and networks of each company. I think it was Japan's previous contribution of support to the country that led to the Government of Palau allowing Japanese companies to implement this project."

This is the first overseas project for JAT, which is carrying out improvements and providing guidance on the operations of Palau International Airport. In the field, PIAC, Sojitz, JAT, and JOIN are working hand in hand to make steady progress with the project while also

facing unforeseen circumstances—namely, delays in renovation works due to the spread of COVID-19—and are being mindful of differences in culture and customs between Japan and Palau.

Mr. TAKEI Ryo from JAT says, "JAT has presented



The new terminal under construction (January 2021) (Photo: PIAC)

various proposals that cover the entire scope of operational improvements to Palau International Airport. Specifically, we have enforced thorough cleaning practices, improved the installation locations of informational signs, renovated facilities with a view to making them barrier-free, strengthened the cooperative relationship between the airport and its commercial tenants, and arranged the locations of new commercial facilities following the airport's expansion. We have been sharing our experiences in Japan with PIAC as we progress with the project."

In addition, Mr. NARITA Mitsuru, Vice President of PIAC (on secondment from JAT) engaging in the on-site implementation of the project, said, "At the onset of the project, employees' working hours were not being recorded with timecards, and there was no systematic manual on maintaining or cleaning the facilities. We persevered in changing local people's way of thinking and creating a pleasant working environment to improve operations."

The project is certainly an all-Japan initiative in that the important issues facing Palau are being resolved by cooperation between the Government of Japan and Japanese businesses. As there has not been any precedent for the privatization of infrastructure facilities in Palau, the project is becoming a catalyst for promoting the privatization of key infrastructure in the country. In addition, the project, which is the first public-private partnership (PPP) infrastructure project^{*2} in Palau, has become a model case of PPP in the country, as new electrical power projects utilizing renewable energy are now also being considered under a PPP framework with other foreign companies. It is hoped that the project contributes to the economic development of Palau, which largely relies on its tourism industry, by steadily transferring specialist knowledge and technology from Japanese companies to local people, and in turn, increasing the number of passengers using the airport, as well as the number of daily flights. Moreover, it is also hoped that the success of this project will lead to more Japanese companies expanding into Palau.

Japan continues to partner with private companies to overcome the difficulties of COVID-19 and connect the success of this project with further promoting a friendly and trusting relationship between Japan and Palau.



JAT giving guidance on cleaning (Photo: PIAC)

^{*1} See page 139 regarding details on this scheme.

^{*2} See page 136 regarding details on this system.

2

ODA Topics

Promoting Initiatives for the Realization of a “Free and Open Indo-Pacific”

The concept of a “Free and Open Indo-Pacific (FOIP),” advocated by Japan in 2016, is becoming widely shared not only by the United States but also by Australia, India, ASEAN member states, and European countries.

On Prime Minister Suga’s visit to Viet Nam and Indonesia in October 2020, the leaders exchanged views regarding coordination between the “ASEAN Outlook on the Indo-Pacific (AOIP)” and FOIP. At the Japan-ASEAN Summit Meeting held in the following month, the “Joint Statement of the ASEAN-Japan Summit on Cooperation on ASEAN Outlook on the Indo-Pacific” was issued, confirming that the AOIP and FOIP share fundamental principles. The statement declares that cooperation will be enhanced in line with the priority areas of the AOIP, namely, maritime cooperation, connectivity, the SDGs, and economic and other possible areas of cooperation. The importance of FOIP and full support for the AOIP were reaffirmed at the Japan-Australia-India-U.S. Foreign Ministers’ Meeting held in Tokyo in October 2020. During his visit to African countries in December 2020, Foreign Minister Motegi and his counterparts of each country shared the view that they would cooperate toward the realization of FOIP. Japan will continue to work closely with various partners to strengthen the multi-layered cooperative relationship.

The basic approach to realize FOIP is as follows: (i) communicating policy on maritime order and sharing insights on the international law of the sea with the international community; (ii) rule-making to expand a free and fair economic sphere; (iii) achieving connectivity across the Indian Ocean and the Pacific; (iv) enhancing governance through capacity building and other measures; and (v) ensuring maritime security and maritime safety. To this end, Japan will utilize ODA in a strategic manner.

For developing quality infrastructure to promote connectivity across the Indian Ocean and the Pacific Ocean, Japan has been implementing projects that contribute to strengthening connectivity of: the Southern Economic



Tsubasa Bridge constructed with Japanese assistance
(Photo: KUNO Shinichi/JICA)

Corridor, which connects megacities such as Ho Chi Minh, Phnom Penh, and Bangkok, known as “Mekong’s aorta,” to the Indian Ocean; and the East-West Economic Corridor, which connects Da Nang in Viet Nam to Laos and inland Thailand and to the Indian Ocean through Myanmar. Specifically, Japan carries out initiatives that help improve the efficiency of logistics and alleviate traffic congestion, such as the construction of Tsubasa Bridge in Cambodia and the improvement of National Road No. 9 in Laos. In addition, Japan supports the construction of a new port in Patimban, West Java Province, Indonesia. In December 2020, a tentative opening ceremony was held to showcase the completion of parts of the facilities after the construction work for areas which are to open ahead of the main site had significantly advanced. Moreover, for enhancing governance through capacity building support and other measures, Japan, for example, dispatches macro-economic policy advisors aiming at strengthening the capacity of partner governments in fiscal policy and public debt management to encourage self-reliant and sustainable growth.

From the perspective of ensuring maritime safety, Japan has been actively providing support for capacity building for maritime law enforcement to countries along Japan’s sea lanes, such as the Philippines and Viet Nam, with the aim of building a free and open international order. Such efforts include providing patrol vessels, coastal monitoring radars, and other equipment, as well as human resources development through the dispatch of experts and trainings. Japan continues to make efforts to ensure peace and stability by eliminating factors such as piracy and terrorism.

The stability and prosperity of Japan and this region cannot be achieved without a “Free and Open Indo-Pacific” that is underpinned by transparent rules and active exchanges of people, goods, and wisdom. Japan will continue to utilize various forms of assistance, including ODA, in making efforts to realize FOIP.



Foreign Minister Motegi attending the second Japan-Australia-India-U.S. Foreign Ministers’ Meeting (October 6, 2020)

(2) Efforts on Debt Issues

Support through public financing can greatly contribute to achieving economic growth when developing countries can effectively use the funds they receive through loans. However, if repayments become difficult due to circumstances unforeseen when taking out the loan and countries become overburdened with excessive debt, it could potentially inhibit sustainable growth for the developing countries. Such issues must essentially be resolved by the indebted countries themselves by putting forward reforms and other efforts. However, should their excessive debt stand in the way of their development path, the international community must respond (see page 6 regarding the response on debt issues for developing countries impacted by the spread of COVID-19).

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 (HIPC)* owed 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 ⁵, which further expands existing international debt relief initiatives for HIPCs and enables complete debt reduction among others. 36 of these countries have received comprehensive debt reduction as a result of having attained a certain level of economic and social reforms as of the end of FY2019.

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 ⁶ adopted a new Paris Club approach to debt restructuring (the Evian Approach), which focuses more on the debt sustainability of recipient countries, especially low-income and middle-income indebted countries other than HIPCs, and takes comprehensive debt relief measures for a country that faces difficulty concerning their repayment capacity due to their large debt volume, as long as the country meets certain criteria.

However, in recent years, there are some cases among low-income countries in which they accumulate official debt again, despite having received debt relief through the Enhanced HIPC Initiative and MDRI. Thus, there are concerns in regards to their debt sustainability. The reasons behind this situation are pointed out to be the increase in loans from emerging donor countries and private creditors, including the provision of untraditional

and non-concessional loans such as secured loans, as well as the fact that indebted countries lack the capabilities to gather and disclose their own debt data and appropriately manage their debt. Given this situation, discussions are being conducted in the G20 toward ensuring enhanced debt transparency and debt sustainability in low-income countries. At the 2019 G20 under Japan's Presidency especially, cooperation from both indebted countries and government and private creditors were called upon, and progress in specific initiatives was confirmed at the Finance Ministers and Central Bank Governors' Meeting held in Fukuoka and the G20 Osaka Summit.

In April 2020, in order to respond to the impact of the spread of COVID-19 on low-income countries, the G20 and Paris Club agreed on the "Debt Service Suspension Initiative (DSSI)," which temporarily allowed these countries to suspend official debt service payments until the end of 2020. In October 2020, a six-month extension to the DSSI suspension period was agreed upon from the perspective that countermeasures against COVID-19's impact were still necessary. Furthermore, in November 2020, the G20 and Paris Club agreed on the "Common Framework for Debt Treatments beyond the DSSI (Common Framework)" for debt relief for DSSI-eligible countries. In addition to steadily implementing the suspension of debt service based on the DSSI, the G20 and Paris Club will also individually provide debt treatments as needed based on the requests of DSSI-eligible countries under the Common Framework.

One of the factors that can significantly affect debt sustainability of countries, including low-income countries, is infrastructure investment. Infrastructure projects such as ports and roads come at a large cost, and debt repayments can become a significant burden for the borrowing country. When financing infrastructure projects, it is necessary for both the borrowers and lenders to fully consider debt sustainability, and loans without consideration of debt sustainability are criticized as a "debt trap" by the international community. The "G20 Principles for Quality Infrastructure Investment," endorsed by the leaders of each country at the G20 Osaka Summit in 2019, incorporated the importance of considering macro (country)-level debt sustainability as well as project-level financial sustainability. They also include the principles of openness, transparency, and economic efficiency in view of life-cycle cost. Each G20 country is required to implement these principles as an international standard in their infrastructure investments and to work to ensure that these principles are implemented in the countries receiving loans.

⁵ An initiative agreed at the Cologne Summit (Germany) in 1999.

⁶ 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.

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, 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 ⁷, cancellation, and reduction only when they are absolutely necessary. As of the end of 2019, Japan has cancelled ODA debts worth a total of approximately ¥1.129 trillion toward 33 countries since FY2003. However, in 2020, as well as in 2019, no debt cancellation measures have been taken.

From the perspective of ensuring debt sustainability, an important element of the G20 principles, Japan is engaged in improving the capabilities related to public debt and risk management among management personnel at the finance ministries of developing countries through contributions to international organizations, as well as through trainings and the dispatch of experts by JICA. For example, Japan has dispatched debt management and macroeconomic policy advisors to Ghana, Zambia, and other countries and made new contributions to the trust funds of the IMF and World Bank, supporting the capacity building of indebted countries.

(3) Promotion of Information and Communications Technology (ICT), Science, Technology, and Innovation, and Research and Development

The dissemination of Information and Communications Technology (ICT) ⁸ contributes to the upgrading of industry, improvement of productivity, and achievement of sustainable economic growth. It also contributes to solving issues of medical care, education, energy, environment, disaster risk reduction, and other areas in developing countries. Furthermore, the utilization of ICT improves their democratic foundation while encouraging information disclosure by governments and establishing

broadcasting media. Moreover, the importance of Digital Transformation (DX) ⁹ is increasing under the spread of COVID-19. In this way, ICT is extremely important for strengthening civil society through enhanced convenience and improved services as well as for quality growth.



A JICA expert giving a lecture at an online training on digital terrestrial broadcasting and Emergency Warning Broadcast Systems (EWBS) for Latin American and Caribbean countries

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 helping 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, the introduction of the technology and systems they require, and relevant human resources development. Specifically, Japan makes proactive efforts to provide comprehensive support in the areas of maintenance, personnel, and systems for the overseas promotion of Integrated Services Digital Broadcasting-Terrestrial (ISDB-T)*, which is also an effective means for boosting Japan's economic growth. ISDB-T is being spread in Latin America and the Caribbean, Asia, and Africa, and Angola also decided

⁷ 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.

⁸ ICT is an abbreviation for Information and Communications Technology. It is a technology that integrates computers and other information technology with digital communication technology, as represented by the Internet and mobile phones.

⁹ Making people's lives more convenient and enriching them through the introduction of new information technologies, and generating new value by recreating existing business structures with the introduction of new digital technologies, etc.

to adopt it in March 2019. As of December 2019, it has been adopted in a total of 20 countries ¹⁰. 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.

In the ASEAN region, Japan is providing low-cost, high-speed internet connectivity for remote locations in island countries, focusing on Indonesia and the Philippines. In the Asia-Pacific region, where over two billion people do not have internet access due to factors including fragile infrastructure and the inability to afford it, Japan has provided loans of \$25 million under the Initiative on Overseas Loans and Investments for ASEAN (see also “Project Introduction Column” on page 99) to establish low-cost, high-speed internet connectivity.

Japan also 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. Japan will continue to cooperate in the field of overseas deployment of ICT for disaster risk reduction and thereby aim to contribute to increasing the disaster reduction capabilities of developing countries (see page 86 for more information on disaster risk reduction).

In addition, Japan 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 and ICT, to provide a variety of development assistance in the fields of telecommunications and ICT to developing countries.

In October 2020, under the spread of COVID-19, the MIC and ITU began a joint project to support the drafting of national strategies for strengthening digital infrastructure and improving their usage environments, which contribute to suppressing the spread of the disease, with a primary focus on African countries. Saudi Arabia has also joined the project, and together with MIC and ITU, the three will collaborate in advancing the project.

In the Asia-Pacific region, the Asia-Pacific Telecommunity (APT)*, an international organization specialized in the field of ICT, contributes to the balanced development of the telecommunication services and information infrastructure in the region. The triennial

APT General Assembly was held virtually in 2020 with Japan acting as chair. In addition to deliberating and deciding on the APT’s strategic plans and budgets for 2021 to 2023, elections were also held for the next Secretary General and Deputy Secretary General, with Mr. KONDO Masanori elected as the Secretary General.

In order to promote human resources development related to telecommunications, which is one of the main objectives of APT’s activities, Japan finances a number of training programs conducted by APT every year. In FY2019, five training programs regarding issues such as broadband networks and cybersecurity were implemented and attended by approximately 50 people from the member states. During the programs, the trainees studied Japanese technology through classroom learning and facility visits and are now utilizing this experience for the development of their own countries’ ICT. In addition, Japanese companies’ expansion into the Asia-Pacific region is also expected through introducing Japanese technology systems in the region.



A Certified Ethical Hacker training underway through the “Project on Capacity Building for Cyber Security in Vietnam” (Photo: JICA)

Furthermore, in 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 toward 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.

Based on the “Basic Policy to Support Cybersecurity Capacity Building in Developing Countries” reported to the Cybersecurity Strategic Headquarters in 2016, Japan

¹⁰ The 20 countries are Japan, Brazil, Peru, Argentina, Chile, Venezuela, Ecuador, Costa Rica, Paraguay, the Philippines, Bolivia, Uruguay, Botswana, Guatemala, Honduras, Maldives, Sri Lanka, Nicaragua, El Salvador, and Angola (as of December 2019).

has implemented initiatives including the establishment of the “ASEAN-Japan Cybersecurity Capacity Building Centre (AJCCBC)” (see page 56 for details) through the Japan-ASEAN Integration Fund (JAIF)* and a training program for cybersecurity in January 2020 based on the Japan-ASEAN Technical Cooperation Agreement (see “Project Introduction Column” on page 57 for details).

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

The Science and Technology Research Partnership for Sustainable Development (SATREPS) program*, which links ODA and the science and technology budget, was launched in 2008 as a major program for Japan’s science and technology-related assistance. 157 joint research projects in 52 countries around the world have been adopted by FY2020 (see also “Master Techniques from Japan to the World” on page 149).

Furthermore, based on cooperation for human resources, Japan is developing networks among the next generation by strengthening assistance for overseas engineering universities.

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. Japan also collaborates with 27 universities and two research organizations in Japan to extend cooperation for establishing curriculums, dispatching Japanese faculty, and other objectives. Furthermore, Japan provides contributions to the Asian Institute of Technology (AIT) located in Thailand, one of the Asia’s leading graduate schools offering master’s and Ph.D. programs at the School of Engineering and Technology, the School of Environment, Resources and Development, and other faculties. In particular, Japan is providing scholarships to students studying remote



Screening bats captured at night in the “Project for Epidemiology of Zoonotic Virus Infections in Africa” conducted in Zambia under the SATREPS program (Photo: Hokkaido University) (see also “Master Techniques from Japan to the World” on page 149)

sensing (satellite image analysis) in courses taught by Japanese instructors, contributing to the development of the human resources who will constitute the crux of the space industry development in the Asian region.

In Egypt, Japan continues to support the Egypt-Japan University of Science and Technology (E-JUST), a public university based on the concept of providing graduate school, research-centered, pragmatic, and international-standard education for a small number of students, drawing on the features of Japanese-style engineering graduate school education. With the cooperation from universities in Japan, in addition to providing support for the operation of graduate schools and departments, such as the introduction of practical engineering education and Japanese-style research-centric education, Japan also supports the acceptance of exchange students from African countries, contributing to industrial and science and technology human resources development in Africa and the Middle East.

= Glossary



***Heavily Indebted Poor Countries (HIPC)**

39 developing countries, mainly from the Africa and East Asia regions, that are poor and have heavy debt burdens, and that are applicable for the Enhanced HIPC Initiative, a framework to provide comprehensive debt relief.

***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.

***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.

***Asia-Pacific Telecommunity (APT)**

APT is an international telecommunication organization established in the Asia-Pacific region in 1979, made up of 38 member states in the region. Aiming for a balanced development of telecommunication services and information infrastructure in the Asia-Pacific region, it implements human resources development through training courses and seminars, and coordinates regional policies on standardization, wireless communications, and other telecommunication issues.

***Japan-ASEAN Integration Fund (JAIF)**

A fund established in 2006 based on the pledge of then Prime Minister Koizumi at the Japan-ASEAN Summit Meeting in December 2005 to contribute a total of ¥7.5 billion (approximately \$70.1 million) to support ASEAN countries' endeavors to advance integration by correcting regional disparities and aiming at the establishment of an ASEAN Community. Later, at the ASEAN-Japan Commemorative Summit Meeting in 2013, in addition to releasing the "Vision Statement on ASEAN-Japan Friendship and Cooperation" and its Implementation Plan, then Prime Minister Abe announced a contribution totaling \$100 million to the JAIF 2.0, expected to be used to realize the Vision Statement and its Implementation Plan (revised in 2017) with four main priority areas: (i) maritime cooperation, (ii) cooperation for disaster management, (iii) counter-terrorism and cybercrime, and (iv) strengthening ASEAN connectivity. Japan provided additional contributions in 2019 as well as 2020.

***Science and Technology Research Partnership for Sustainable Development (SATREPS) program**

→ See also "Master Techniques from Japan to the World" on page 149

Through the collaboration of Japan's advanced science and technology and ODA, SATREPS is an initiative to conduct research to solve global issues relating to the environment and energy, bio-resources, disaster prevention and mitigation, and infectious diseases. Under this program, research institutes both in developing countries and Japan work together to conduct international joint research with the following objectives: (i) strengthening international science and technology cooperation, (ii) acquiring new expertise and technologies that will lead to resolving global issues, and using these to create innovation, and (iii) capacity development ¹¹. The Ministry of Foreign Affairs (MOFA) and JICA, in collaboration with the Ministry of Education, Culture, Sports, Science and Technology (MEXT), the Japan Science and Technology Agency (JST), and the Japan Agency for Medical Research and Development (AMED), provide support to research institutes and researchers in Japan and the developing countries.

¹¹ Enhancing the independent research and development capacity, building sustainable activity systems which contribute to resolving challenges of developing countries, as well as conducting human resources development and establishing networks between Japan and developing countries for the future through international joint research.

(4) Vocational Training, Industrial Human Resources Development, and Employment Creation

For quality growth, it is essential for people 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 development in those countries.

“Work” constitutes a fundamental activity of humankind 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 the number of unemployed people in 2019 was 188 million, an increase of 1.6 million over the previous fiscal year. Moreover, the International Labour Organization (ILO) announced that from April to June 2020, the total global working hours decreased by approximately 17% due to the spread of COVID-19 as compared to before the pandemic, an equivalent to 495 million full-time jobs. In order to create stable employment for a better future of work under these circumstances, each country must urgently prepare for risks by building social safety nets ¹², as well as engage in an international effort to realize decent work, stipulated in 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 technical skills, Japan provides support to leading polytechnic and 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 64 comprehensive cooperation projects in 31 countries between 2000 and 2019. The projects drew on Japan's insight and know-how for the development and revision of curriculums and teaching materials, capacity development of trainers, and collaboration with the industrial 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, persons with disabilities, and demobilized soldiers, as well as refugees and others whose lives have been impacted by conflicts.

The “Industrial Human Resource Development Cooperation Initiative” was announced at the Japan-ASEAN Summit Meeting in 2015 with the goal of assisting industrial human resource development of 40,000 people over the next three years in Asia. At the Japan-ASEAN Summit Meeting in November 2018, following the achievement of the initiative far exceeding the original goal, Japan announced the “Industrial Human Resource Development Cooperation Initiative 2.0,” which aims to support industrial human resource development of approximately 80,000 people in Asia over the next five years, with a view toward the 50th anniversary of Japan-ASEAN Friendship and Cooperation in 2023. In this initiative, cooperation for industrial advancement capabilities, including in AI and other digital fields, has been newly listed, in addition to cooperation in practical technology, design and development capabilities, innovation, business administration, planning, and management capabilities, which have been emphasized thus far.

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 known as the “Innovative Asia” Initiative for circulation of competent human resources between Japan and Asian countries, aiming to offer 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 and aims to lead to the strengthening of diplomatic relations between Japan and Asian countries in the medium to long-term.

In addition, the Ministry of Health, Labour and Welfare (MHLW) conducts trainings both in Japan and targeted countries primarily from Southeast Asia ¹³, with which Japan has been expanding and deepening economically interdependent relationships. The trainings ¹⁴ 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 developing and securing a quality workforce. In FY2019, a total of 123 people from

¹² Mechanisms in which people can live in safety and without difficulties.

¹³ The target countries are Cambodia, Indonesia, Laos, Myanmar, Thailand, and Viet Nam.

¹⁴ There are three types of training in this project: “training for people in charge of the creation of test standards and test problems,” “training for people in charge of tests and marking,” and “training for people in charge of trial certification evaluation.” The number of participants above is the total value for all types of training.

three 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, in relation to Africa, Japan positioned developing industrial human resources as part of Japan's contributions for Africa announced at TICAD7 held in August 2019 in Yokohama. Japan expressed its intention to train 140,000 people in order to diversify industries and create jobs in areas such as innovation, agriculture, blue economy ¹⁵, and others, through the Kaizen Initiative (see also "Stories from the Field" on page 43) as well



Field training underway with safety first through the architecture department of a vocational training center in Angola, where Japan is providing support for capacity building (Photo: JICA)

as technical assistance by vocational training centers and the AfDB's trust fund. Japan also announced that human resources development for business and industry would be conducted for 3,000 people to promote business between Japan and Africa in six years under the African Business Education Initiative for Youth (ABE Initiative 3.0)*. The ABE Initiative, driven by industry-academia-government cooperation, has accepted over 1,200 trainees to study at 84 universities (162 graduate courses offered) throughout Japan as of the end of FY2019.

*** Employment, Including Job Creation

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 for developing countries primarily in Asia, focusing on the enhancement of security and hygienic standards of work, as well as improvement of working environments, through means such as voluntary contributions to the ILO. In addition, Japan is also engaged in realizing decent work, such as providing support in Africa, including employment support for youth and others in Gambia, Mauritania, and Mozambique.

= Glossary



*African Business Education Initiative for Youth (ABE Initiative)

A program that invites youth in Africa to Japan and provides them with opportunities to gain master's degrees at Japanese universities and participate in internship programs at Japanese enterprises, with the aim of promoting human resources development for business and industry in Africa and fostering "navigators" who will support the business activities of Japanese companies in Africa. At TICAD V held in 2013, it was announced that Japan would receive 1,000 trainees over five years through the ABE Initiative. At TICAD VI in 2016, it was further announced that the Initiative would train 1,500 people including through onsite human resources development over three years. At TICAD7 in 2019, it was announced that these efforts would be continued, training 3,000 people over the course of six years.

¹⁵ The blue economy aims to balance the conservation of ocean resources and economic development through the sustainable use of resources from the oceans, rivers, lakes, and more.

Stories from the Field



Forging a Path to Ethiopia's Future with “KAIZEN” —Utilizing Japan's strengths in combining technical cooperation and grant aid to maximize a synergistic effect—



Mr. Sugimoto, a Japanese expert, discussing with his Ethiopian counterparts and company representatives at a construction materials factory (February 2013) (Photo: Japan Development Service Co., Ltd.)

In Ethiopia, located in the eastern part of Africa, cooperation through JICA began in 2009, focusing on the “KAIZEN”^{*} method from Japan in order to enhance the competitiveness of Ethiopia's domestic industries, such as the manufacturing industry. The Ethiopian Kaizen Institute (EKI) was established by the efforts of the late Prime Minister Meles Zenawi. Japan's cooperation started with EKI as a foothold by promoting technical cooperation initiatives to transfer technical skills and experience through training and “KAIZEN” practice at factories, in order to popularize the “KAIZEN” approach within Ethiopia.

As a result of this cooperation, the concept is currently widely recognized across Ethiopia, and the certification, accreditation and registration system for consultants who provide training and guidance on “KAIZEN” for Ethiopian companies has been introduced. EKI, which started with only nine staff members at the time of its establishment, has increased its staff to approximately 110 consultants, and is spreading “KAIZEN” to many Ethiopian companies. In addition, cooperation is currently underway to ensure that EKI can disseminate “KAIZEN” through its Ethiopian staff even after the Japanese experts return to Japan.

Mr. SUGIMOTO Seiji of Japan Development Service Co., Ltd. (JDS), who led the initiative as a technical cooperation expert and Chief Adviser from 2011 to 2020, says, “It is not uncommon to see an increase in productivity of 30 to 50% in our indicators. Future challenges include disseminating “KAIZEN” to schools and ministries, introducing “KAIZEN” in management strategies

and marketing for businesses, and further spreading the “KAIZEN” method not only to the capital area, but also across the entire country.”

In addition to the manufacturing industry, the Ethiopian government also hopes to disseminate “KAIZEN” to the



Conceptional image of the completed TICAD Human Resource Development Center for Business and Industry (Construction: Fujita Corporation; equipment procurement: Sirius Corporation) (Designed by the Consortium of Nippon Koei Co., Ltd. and Koei Research & Consulting Inc.)

service industry, and is currently providing training by EKI consultants to government-affiliated public corporations from the transportation sector. As a result, a significant outcome is expected in terms of cost reduction of approximately 100 million yen per year by thoroughly implementing 5S and reviewing the combinations of transportation routes and measures.

Since EKI did not previously have its own facilities and its consultants were directly visiting the factories and companies where training was taking place to give guidance on an individual basis, EKI's activities were limited to the area around the capital Addis Ababa. The TICAD Human Resource Development Center for Business and Industry, which is currently in the process of construction and procurement of equipment through grant aid, is designed to resolve this issue and further promote the spread of “KAIZEN” throughout Ethiopia. The center, which is under construction close to the African Union (AU) headquarters, is planned to be equipped with training and accommodation facilities in addition to the EKI head office, where trainees from outside the capital will be able to stay and receive training.

Mr. HOSHIAI Yoshifumi from the Consortium of Nippon Koei Co., Ltd. and Koei Research & Consulting Inc., which is designing and supervising the construction of the center, tells us the following. “After the center is complete, it will be possible to accept up to approximately 12,000 trainees a year. While construction was temporarily suspended due to COVID-19, we hope that it will be finished as soon as possible, which will lead to the development of human resources and the development of Ethiopia as a whole.”

The Ethiopian government has set its sights on using the Center not only as a national training facility, but also for spreading “KAIZEN” to neighboring countries. As one of Africa's core bases for human resources development, the center plans to accept trainees from neighboring countries. Japan's consistent cooperation over the last decade has borne fruit, and the Japanese style “KAIZEN” initiatives are steadily taking root in the African continent.



A Japanese expert giving guidance on “KAIZEN” for the manufacturing process on-site at a sewing factory (Photo: Japan Development Service Co., Ltd.)

^{*}An approach in which each worker at a production site comes up with and implements their own ideas on how to eliminate inefficiency in the production process and improve quality and productivity. In Japan, in a period of rapid growth after WWII, this approach was cultivated on-the-job by the manufacturing industry to increase quality and productivity, and is based on 5S: “Sort, Set, Shine, Standardize, and Sustain.”