

# Industrial Development and Public Policy

For Decent Work, Clean Energy, Democratic Governance, and People's Dignity and Happiness



Of the 17 Sustainable Development Goals (SDGs), strongly associated goals are shown in color.



Employees of the Indonesia Metal Industries Development Center learning casting techniques from an expert in a technical cooperation project

## Sectoral Issues

- To increase decent work by supporting the growth of the private sector and the development of industrial human resources.
- To deliver affordable, reliable and low-carbon energy to all.
- To provide support for realizing a democratic society based on the rule of law, as well as modernizing and improving the quality of public administration, public financial management and finance.

## Fiscal 2016 Initiatives

- Further promotion of Japan's kaizen activities in countries in the region was confirmed at the Sixth Tokyo International Conference on African Development (TICAD VI).
- In addition to accepting international students in the geothermal field, JICA also started three types of Knowledge Co-Creation Programs. All-Japan support for human resources development has just begun.
- A call center was opened in Côte d'Ivoire to provide legal information, while a customs clearance IT system utilizing Japanese technology also started operation in Myanmar.

## Future Cooperation

- JICA will contribute to "quality growth" and job creation and other issues by strengthening partnerships with the private sector. This will involve promoting human resources development (HRD) for the business sector at Japan Centers for Human Resources Development.
- JICA will offer support for considering ideal sustainable development based on the assistance for developing an electricity master plan, which aims to achieve both climate change measures and economic growth.
- JICA will support the creation of legal systems and democratization for good governance, as well as enhancement of administrative functions that include public financial management and law enforcement, and financial modernization.

## Private Sector Development

The private sector serves as the driving force for economic growth in developing countries. Strong and comprehensive economic growth can be realized when private companies in various fields achieve dynamic growth and development and create higher added value and job creation.

In recent years, many developing countries have been focusing efforts on attracting foreign direct investment. Many Japanese companies, for their part, are actively establishing operations in developing countries by finding new markets and opening manufacturing bases in those areas. Through further encouragement of collaboration between the two, JICA focuses on contributing to more effective private sector development in developing countries while enhancing mutually beneficial economic relations.

### ● Overview of the Issue and JICA Activities

JICA contributes to Goal 8 "Economic Growth" and Goal 9 "Building Infrastructure for Industries and Technological Innovations" of the Sustainable Development Goals (SDGs) mainly through (1) developing policies and institutions for improving the business environment; (2) promoting trade and investment; (3) improving the competitiveness of local companies; and (4) tourism.

## 1. Developing Policies and Institutions for Improving the Business Environment

JICA assists developing countries to achieve an environment conducive to the activities of private companies and to realize the development of industries.

Industrial promotion policy is a principal pillar for national development. JICA assists with drawing up these industrial policies focusing on various aspects depending on the situation in the partner country. JICA also assists with the development and operational improvement of legislative and institutional infrastructure for business activities, including economic regulations such as enterprise law and competition law, intellectual property systems, standards and conformity assessment systems, tax administration, and financial systems.

## 2. Promoting Trade and Investment

In the global economy, the growth of developing economies fundamentally requires trade and investment with other economies. With this in mind, JICA focuses on the following aspects:

### (1) Promoting Trade

The proportion of import and export value of emerging and developing countries in total global trade is rising, and it is obvious that trade plays an important role in economic development in developing countries. For furthering trade, it is essential to simplify and facilitate trade-related procedures, including customs, as well as to improve access to foreign markets by companies in developing countries.

### (2) Promoting Investment

Developing countries are becoming even more attractive as an investment destination for foreign companies. There are also moves on the part of developing countries to take advantage of foreign direct investment (FDI) as an engine to promote domestic industries.

JICA assists developing countries in improving the investment environment and proactively disseminating information on investment opportunities. To this end, it dispatches investment promotion advisors and supports the development of special economic zones. Under its development policy loan program, JICA also supports efforts to reform and improve the policy and institutional aspects of the investment environment.

## 3. Improving the Competitiveness of Local Companies

In order to improve the competitiveness of local companies, particularly SMEs, JICA is engaged in strengthening support services for companies and developing industrial human resources.

### (1) Strengthening Support Services for Companies

Increasing corporate competitiveness requires enhancing corporate management resources: labor, technology, capital, and information. JICA assists the public entities that are SME support organizations in strengthening their business development services and in fostering industrial clusters.

### (2) Developing Industrial Human Resources

Developing countries are showing strong interest in Japanese-style management and production management methods such as

kaizen. In Asia, JICA takes advantage of its eight Japan Centers for Human Resources Development, called Japan Centers, to assist business training in the region, thereby developing human resources that are familiar with Japanese-style management and production management methods.

In Africa, JICA supports the promotion of the kaizen system to improve quality and productivity. It has trained kaizen advisors to enhance guidance for companies and other entities in eight African countries. The Sixth Tokyo International Conference on African Development (TICAD VI) announced the launch of an initiative that promotes kaizen activities throughout Africa in cooperation with the New Partnership for Africa's Development (NEPAD).

The outcomes of all these kinds of assistance are expected to bring about mutual benefits to developing countries and Japan, as they will contribute both to industrial promotion in developing countries and to the activities of Japanese companies there.

## 4. Tourism

The tourism industry, which is seen as one of the fastest-growing socioeconomic sectors, is becoming more important every year as an industry capable of facilitating the growth of developing countries. JICA supports the promotion of sustainable tourism development with appropriate use of tourism resources to develop the regional economy, increase job opportunities, and improve the quality of life in developing countries.

## Energy and Mining

Stable supply of quality electric power and mining development are essential for building industrial infrastructure for developing countries as well as for improving the quality of people's lives there.

Meanwhile, as some 80% of CO<sub>2</sub> emissions from Japan originate from the energy sector and about 40% are associated with power generation, the development of energy and mining and the supply thereof are strongly required to adopt low-carbon operations in accordance with the Paris Agreement of December 2015.

Under such circumstances, JICA is working on energy and mining issues with a focus on contributing to a stable supply of environmentally friendly natural resources and energy at low cost.

### ● Overview of the Issue and JICA Activities

#### 1. Energy

Stable securement of low-cost, low-carbon energy is an urgent development subject for developing countries. However, many countries face a lack of necessary techniques, know-how, and funds, and even human resources in charge of policy planning and implementation are limited.

To address these challenges, JICA seeks to attain balanced power supply that meets three requirements—low-cost, low-carbon, and low-risk, the “3 L's,” with an eye on contributing to achieving SDG 7: to ensure modern energy for all. Specific assistance is shown below:

### (1) Promoting Better Access to Electric Power and Stable Power Supply

For many years, JICA has been committed to achieving better access to electric power and more stable power supply in developing countries by supporting the reinforcement of their national grids. In recent years, JICA has provided assistance for establishing an electricity master plan to Myanmar, Sri Lanka, Mozambique and other countries. It has also supported high-efficiency thermal power generation and assisted the development of power infrastructure, including power transmission and distribution networks, in many countries in Asia and Africa.

Case Study

**Tanzania:**  
Project for Domestic Natural Gas Promotion  
and Supply System



### For Supplying Clean Energy at an Affordable Price

The development of shale gas is in progress in the United States and many countries are committed to reducing CO<sub>2</sub> emissions after the 21st session of the Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change. Against the backdrop, attention is presently focused on the development and utilization of natural gas. In Tanzania, a small gas field found in 1974 had long been used; in recent years, however, a large-scale gas field was discovered in deep waters. Today, further development and utilization of natural gas are a priority issue in the country.

In fiscal 2016, JICA started an information collection survey concerning the utilization of natural gas in Tanzania. Over the medium and long-term, the survey determined the development of a deep water gas field based on a liquefied natural gas (LNG) project with attention to trends in international resources prices. In the short term, the survey analysis concluded that it is effective to promote preparatory projects regarding fertilizers and methanol that utilize a small gas field in shallow waters.

Afterward, the Tanzanian government requested that JICA support the formulation of a comprehensive plan to address domestic gas demand and embody a preparatory project to utilize the shallow-water gas field. In this way, JICA's cooperation has been expanded and deepened even further.

Initiatives to improve access to stable energy and promote high energy efficiency are now being accelerated in this gas-producing country in Africa.



Training participants visiting an LNG facility in Japan

Enhancing the core power systems will make it possible to provide low-cost and stable power supply to a wide group of people, including the poor [ → see the Case Study at the bottom left].

### (2) Promoting of Low-carbon Power Sources

Japan possesses world-class technology in geothermal power generation, which is renewable energy and stable base-load power sources. JICA provides a wide range of support, from resources development to the construction of geothermal plants in Indonesia, African Great Rift Valley countries that include Kenya, and Latin American countries [ → see the Case Study on page 42].

JICA assists island countries, especially those in the Pacific region, under its new Hybrid Island Initiative program by developing hybrid power grid systems that build on the optimal use of diesel power generation and renewable energy.

### (3) Long-Term Human Resources Development

Working with universities and other entities in Japan, JICA promotes human resources development programs for administrative officials and researchers in the geothermal sector that center on earning academic degrees in Japan.

## 2. Mining

Mineral-resource exploration and production require large amounts of capital and advanced technology, which calls for the entry of foreign companies into the mining industry in developing countries. However, many developing countries' governments have weaknesses in mining policy as well as legal systems and frameworks, and lack basic geological information and infrastructure. In order to cope with these issues, JICA extends assistance to developing countries to (1) improve the investment environment in terms of both software and hardware aspects; and (2) to develop human resources. For the second objective, JICA has been working with Japanese universities to offer a training program in Japan, popularly known as the Kizuna Program (*kizuna* means "bonds of friendship" in Japanese). The program is also aimed at building and strengthening a human network involving Japanese people.

## Governance

The term "governance" refers to the overall social system and is the basis for the socioeconomic development of developing countries. JICA is supporting various kinds of capacity development activities in the field of legislation, judiciary, public safety, administration and finance. Such cooperation is conducted from the perspective of assistance in democratic growth and development in developing countries by sharing universal values, such as freedom, market economy, and rule of law.

### ● Overview of the Issue and JICA Activities

#### 1. Legal and Judicial Frameworks

For promoting the market economy and post-conflict social stabilization, JICA supports human resources development for countries where legal systems need to be established or improved [ → see the Case Study on page 79].

In fiscal 2016, JICA assisted the governments of Myanmar,

Cambodia, and Laos in developing, strengthening the operations of, and improving the practical application of laws and regulations, while also providing support for ensuring legal consistency in Viet Nam and Indonesia. In Côte d'Ivoire, JICA supported establishing a call center to provide legal information for improvement of public access to justice.

## 2. Democratic Systems

JICA extends assistance for a range of measures to strengthen the foundations for democratic rule in developing countries. The assistance covers such measures as improving the capacity of election management committees in order to ensure fair elections, strengthening the functions of parliament, and reinforcing the capacity of the media, which functions as a monitor of the use of power and influence.

In fiscal 2016, JICA continued its assistance to support the voter registration process in Cambodia, and its assistance for the Office of the National Assembly in Viet Nam. In addition, JICA started its support to strengthen public broadcasting systems in Ukraine.

## 3. Public Safety

JICA is also committed to supporting developing countries in improving public safety in cooperation with Japan's National Police Agency. Assistance addresses aspects such as: (1) community policing (KOBAN), and (2) criminal investigation skills as represented by expertise in fingerprint and palm print identification.

In fiscal 2016, JICA continued its project in Brazil that is aimed at disseminating koban community policing nationwide. Assistance for promoting civilian community policing in Indonesia, Timor-Leste, and other countries are ongoing, and training for Afghan women police officers was conducted in Turkey as well.

## 4. Public Administration / Public Financial Management / Finance

These areas are widely linked with the targets of the SDGs as a foundation for forming and implementing public policies, not limited to Goal 8, "Economic Growth," and Goal 16, "Governance and Peace."

### (1) Public Administration

In order to strengthen the comprehensive administrative functions of developing countries, JICA has been working on the enhancement of civil servant training and enhancing the planning capacity of local governments for better public service delivery.

### (2) Public Financial Management

Public financial management (PFM) is a key development issue that influences everything from development planning to public-sector management. JICA is collaborating with international organizations in activities that include the introduction of performance-based budgeting, public investment management, and internal audits.

JICA also continues its assistance in tax administration and customs administration, which play a pivotal role on the revenue side of public finance. Regarding customs administration, JICA is supporting activities such as introducing new customs clearance

IT systems and setting up One-Stop Border Posts aiming to promote trade facilitation [ → see the Case Studies on pages 30 and 48].

## (3) Finance

Finance constitutes a major part of the "soft infrastructure" that supports economic activity. In Viet Nam, JICA drew on Japan's experience to support the reform of state owned enterprises and the disposal of nonperforming loans. JICA promotes modernization of the financial sector in developing countries, including the introduction of the funds payment and securities settlement system in the Central Bank of Myanmar and support for the development of a capital market in Mongolia.

Case Study

**Côte d'Ivoire:  
Criminal Justice Training for  
Francophone African Countries**



## Criminal Justice Professionals Coping with Cross-Border Crimes

The Sahel region, located at the southern edge of the Sahara Desert, faces a serious threat of terrorism, organizational crimes, and other cross-border crimes. JICA provides eight Francophone African countries with training programs to improve their criminal justice process for social stability in the region.

The Sahel is a poverty-ridden region with a high risk of terrorism and other cross-border crimes. Taking these circumstances into consideration, strengthening measures against terrorism and violent extremism was proposed at the Sixth Tokyo International Conference on African Development (TICAD VI). It is indispensable to enhance regional cooperation to cope with these crimes. Thus, JICA and the UN Asia and Far East Institute for the Prevention of Crime and the Treatment of Offenders (UNAFEI) jointly provide third country training programs in Côte d'Ivoire for police officers, prosecutors, and judges from eight countries: Senegal, Mali, Niger, Chad, Burkina Faso, Mauritania, the Democratic Republic of the Congo, and Côte d'Ivoire.

The training program in fiscal 2016 featured anti-cybercrime measures and the fundamentals of investigation, prosecution, and trial. Due to the recent increase in the number of computer network crimes in the region, investigative ability and other related skills need to be improved. Participants in this program conducted active discussions on these issues.

At the end of the training, participants from the eight countries developed action plans for their own countries. Making use of this opportunity, they are expected to improve the criminal justice process in their countries.



Training participants making a presentation of the current anti-cybercrime measures in their country