



Jordan: The Electric Power Training Center, constructed through Japan's cooperation, is providing third country training programs to engineers in Jordan and also from neighboring countries. (Photo by Shinichi Kuno)

Director General's Message

Supporting Private Sector-Driven Dynamic Economic Development

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One of the important challenges in the development process in developing countries is how to achieve economic growth driven by a vibrant private sector. The Industrial Development and Public Policy Department is working on the creation of a more attractive business environment in developing countries by effectively combining efforts in three areas: private enterprises development, energy and mining, and governance.

In the field of governance, the Industrial Development and Public Policy Department is assisting developing countries in the consolidation of basic institutions, such as law and justice, taxation, financial and securities systems, and customs, which will eventually lead to the creation of a better business environment. At the same time, in the field of mining and energy, the department is also providing assistance for power supply, which is indispensable for the operation of enterprises, and mineral resources development in developing countries. In addition, we are supporting the growth and development of individual private enterprises in the aspects of better access to financing, management, and technology. The department's three groups that work in these fields, work in concert, aiming to create a Win-Win situation where such assistance enables developing countries to achieve further inclusive growth through various-size enterprises development, and these countries also evolve into markets favorable to Japanese companies.

The areas of focus in fiscal 2013 were Africa and Myanmar. The rapid growth of Africa has been supported by abundant natural resources. However, for the development of a strong economic foundation that does not rely solely on natural resources, we are supporting not only the activities of private enterprises engaged in fields other than extractive industries, but also diversification of industrial structure through the "One Village, One Product" campaign, for example. In Myanmar, since IT systems have not yet been introduced to

financial institutions that support the real economy, paper ledgers are still commonly used for manual business operations. First of all, we found it necessary to modernize and systemize the financial infrastructure to attract investment. Thus, the department has embarked on introducing the same system used by the Bank of Japan to the Central Bank of Myanmar under the Grant Aid program, as well as to provide technical assistance to formalize their operations.

In addition, another remarkable activity in fiscal 2013 was the commencement of the Human Resources Development Program in Mining Sector, aimed at systematic development of administrative officers and researchers in developing countries who are involved in the field of natural resources. We will assist 200 students from developing countries in studying at graduate schools in Japan and obtaining their academic degrees in a decade. This program is expected to develop human resources familiar with Japan who will actively work in various developing countries with an abundance of natural resources.

The history of ODA has shifted from government-led economic development to the era of private sector-led economic growth. Furthermore, with regard to the funds flowing into developing countries, private funding is much larger than public funds. For developing an environment that enables the private sector to enjoy sound growth, the role of the Industrial Development and Public Policy Department will become more and more important.