



Knowledge Co-Creation Program (Group & Region Focus)

GENERAL INFORMATION ON

A LEGAL FRAMEWORK FOR EASE OF DOING BUSINESS FOR FOREIGN DIRECT INVESTMENT PROMOTION(C)

課題別研修「投資環境法整備 (C)」

JFY 2017

NO. J1704365/ ID.1784938

Course Period in Japan: From January 14, 2018 to March 3, 2018

This information pertains to one of the JICA Knowledge Co-Creation Program (Group & Region Focus) of the Japan International Cooperation Agency (JICA), which shall be implemented as part of the Official Development Assistance of the Government of Japan based on bilateral agreement between both Governments.

‘JICA Knowledge Co-Creation (KCC) Program’ as a New Start

In the Development Cooperation Charter which was released from the Japanese Cabinet in February 2015, it is clearly pointed out that *“In its development cooperation, Japan has maintained the spirit of jointly creating things that suit partner countries while respecting ownership, intentions and intrinsic characteristics of the country concerned based on a field-oriented approach through dialogue and collaboration. It has also maintained the approach of building reciprocal relationships with developing countries in which both sides learn from each other and grow and develop together.”* We believe that this ‘Knowledge Co-Creation Program’ will serve as a center of mutual learning process.

I. Concept

Background

Today, issues on foreign direct investment (FDI) are getting more and more complex in the world economy. As developing countries utilize FDI as an engine for their socio-economic development, comprehensive and effective strategy and framework should be developed.

This program is designed to enhance the basic understandings of participants on legislation, legal framework and other issues related to FDI in the context of socio-economic development in participants' countries. It will provide participants with opportunities to examine the legal framework including policy with reference to what Japan and other countries' have facilitated. Lectures by prominent professors and/or practitioners, site-visits, discussions and other activities are planned to provide to the participants. Emphasis is placed on the practical aspects of the investment, such as business laws, bilateral/multilateral agreements, cross-border dispute settlement, finance, industrial development including promotion of SMEs. Through a series of discussions and exercises, participants will broaden their views to analyze the investment policy and legal framework in their respective countries and to gain a practical knowledge on the relevant issues. By the end of the program, the participants are expected to acquire the skills of improving the policy and legal framework, applicable to respective countries after return to the home countries.

For what?

The program aims to support the participants' countries to review their policy direction and take necessary measures to further enhance their law-oriented infrastructure to promote foreign direct investments.

For whom?

The program is offered to administrators/ officials in charge of foreign direct investment policy and legislation.

How?

Participants will enhance their knowledge and capacities through lectures, site-visits, discussions, and other activities focused on the practical aspects of the investment process. Interaction with fellow participants will also help them learn other countries' policy and legal framework. Active participation by the participants such as discussions and presentations is the most important part of the program and will significantly contribute to increasing participants' capacities to analyze and propose practical solutions for challenges their organization and countries are facing.

II. Description

1. Title (J-No.): A Legal Framework for Ease of Doing Business for Foreign Direct Investment Promotion(C) (J1704365)

2. Course Period in JAPAN:

January 14, 2018 to March 3, 2018

3. Target Regions or Countries:

Bangladesh, Ecuador, Egypt, Ghana, Indonesia, Laos, Somalia, Sri Lanka, and Uzbekistan

4. Eligible / Target Organization:

The program is designed for governmental organizations in charge of FDI policy, legal framework and operations.

5. Course Capacity (Upper limit of Participants):

11 participants

6. Language to be used in this program:

English

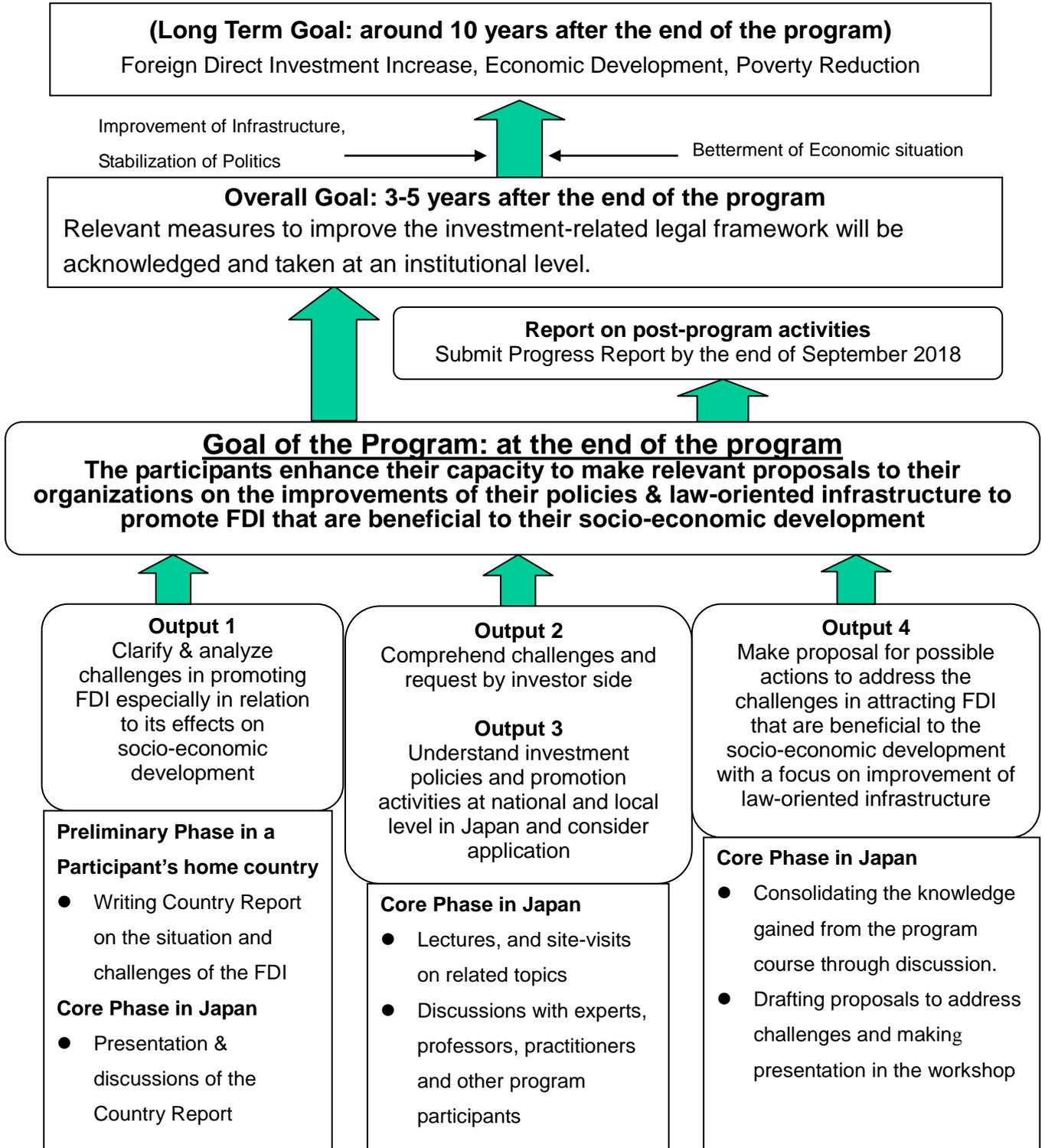
7. Course Objective (participants' achievement after the end of the program):

The participants will be able to make proposals on improvements of their legal system to implement investment strategies and promotion in their home countries from relevant perspectives.

8. Overall Goal (country's or organizational achievement in 3-5 years after the end of the program):

By utilizing the knowledge gained and suggestions made by the participants through the program, they will analyze and review their policies on foreign direct investment (FDI), and propose to take necessary actions to further enhance their law-oriented infrastructure to promote FDI.

9. Expected Module Outputs and Contents:



<Structure of the program >

Topic outline from last year's program (JFY2016) for your reference (Subject to minor changes).

1st Week (in Kobe) <ul style="list-style-type: none">➤ Orientation & Japanese Language Class➤ Role of FDI in Developing Countries➤ Country Report Presentation
2nd Week (in Kyoto) <ul style="list-style-type: none">➤ Legal Problems on Investment Environment (Regulation, SEZ, PPP, BOT, etc.)➤ Investment Attraction, Economic Development, and Technological Transfer➤ Bilateral/Multilateral Agreement on Investment, WTO, and Japanese FTA Strategy
3rd Week <ul style="list-style-type: none">➤ Legal Problems on Investment Environment (Mining, Agro Processing, Tourism, etc.)➤ Improvement of One-Stop Service➤ Investment Promotion and Labor Policy (Case Studies)➤ Business Activities of Kyoto Research Park / Visit to Shimadzu Corporation➤ FDI and Small and Medium-sized Entities (SMEs)
4th Week (in Tokyo) <ul style="list-style-type: none">➤ JICA's assistance for Trade and Investment and Project Finance➤ Visit to Mitsubishi Corporation / JETRO / Mitsubishi Heavy Industries Ltd., etc➤ FDI and Economic Development (Government Policy and International Rules)➤ Cross border Commercial Dispute Resolution➤ Oversea Expansion of Japanese Business (FDI through M&A)
5th Week (in Kyoto) <ul style="list-style-type: none">➤ FDI to Japan (Japanese Corporate Law)➤ Visit to Waste Water Treatment Project in Osaka➤ Fostering of Supporting Industries and Utilizing the Local Resources
6th Week <ul style="list-style-type: none">➤ One Village, One Product Movement and Fostering Agricultural Product Processing Business➤ Attraction of Investment (Economic Development, and Competition Policy)➤ Attraction of Investment (Role of Government in Tourism)➤ Visit to Higashi Osaka City (Policy based on SMEs perspective)
7th Week (in Kobe) <ul style="list-style-type: none">➤ Investment Attracting Policy in Kobe City➤ Technology Transfer and Human Resource Development (Case of Hyogo Prefecture)➤ Summary Session (Presentation, Review, Evaluation, etc.)

10. Follow-up Cooperation by JICA:

In this program, JICA might extend follow-up support to participating organizations that intend to develop the result of the program further. Please note that the support shall be extended selectively based on proposals from the participating organizations.

For more information:

http://www.jica.go.jp/english/our_work/types_of_assistance/tech/follow/pdf/diagram.pdf

III. Conditions and Procedures for Application

1. Expectations for the Participating Organizations:

- (1) The program is designed primarily for organizations that intend to address specific issues or problems identified in their operation. Participating organizations are expected to utilize the program for those specific purposes.
- (2) The program is enriched with contents and facilitation schemes specially developed in collaboration with relevant prominent organizations in Japan. These special features enable the program to meet specific requirements of applying organizations and effectively facilitate them toward solutions for the issues and problems.

2. Nominee Qualifications:

Applying Organizations are expected to select nominees who meet the following qualifications.

(1) Essential Qualifications:

- 1) Current Duties: be government officials or experts in charge of policy making on legal aspects of foreign direct investment or responsible for its implementation.
- 2) Experience in the relevant field: have more than 3-year working experience in the relevant fields with sufficient practical experience and knowledge.
- 3) Educational Background: be a graduate of university or the equivalent.
- 4) Language: have a sufficient command of spoken and written English (This program includes active participation in discussions, which requires high competence of English ability.)
- 5) Expected to work in the same organization for more than 3 years.
- 6) Health: must be in good health, both physically and mentally, to participate in the program in Japan. Pregnant applicants are not recommended to apply due to the potential risk of health and life issues of mother and fetus.

(2) Recommendable Qualifications:

- 1) Age: less than 50 years old

3. Required Documents for Application:

(1) Application Form: The Application Form is available at **the JICA office (or the Embassy of Japan)**.

(2) Photocopy of passport: to be submitted with the Application Form, if you possess your passport which you will carry when entering Japan for this program. If not, you are requested to submit its photocopy as soon as you obtain it.

*Photocopy should include the followings:

Name, Date of birth, Nationality, Sex, Passport number and Expiry date.

(3) Nominee's English Score Sheet (photocopy): to be submitted with the Application Form, if you have any official documentation of English ability (e.g., TOEFL, TOEIC, IELTS).

(4) Country Report: to be submitted WITH the Application Form.

See "VI. ANNEX" of this General Information (pp 13-17) for the instruction and format.

4. Procedure for Application and Selection :

(1) Submission of the Application Documents:

Closing date for applications: **Please inquire to the JICA office (or the Embassy of Japan).**

(After receiving applications, the JICA office (or the Embassy of Japan) will send them to **the JICA Center in JAPAN by December 1, 2017**)

(2) Selection:

After receiving the documents through proper channels from your government, the JICA office (or the Embassy of Japan) will conduct screenings, and then forward the documents to the JICA Center in Japan. Selection will be made by the JICA Center in consultation with concerned organizations in Japan. *The applying organization with the best intention to utilize the opportunity of this program will be highly valued in the selection.* Qualifications of applicants who belong to the military or other military-related organizations and/or who are enlisted in the military will be examined by the Government of Japan on a case-by-case basis, consistent with the Development Cooperation Charter of Japan, taking into consideration their duties, positions in the organization, and other relevant information in a comprehensive manner.

(3) Notice of Acceptance:

Notification of results will be made by the JICA office (or the Embassy of Japan) **not later than December 15, 2017.**

5. Conditions for Attendance:

(1) to strictly adhere to the program schedule,

(2) not to change the program topics,

(3) not to extend the period of stay in Japan,

(4) not to be accompanied by family members during the program,

(5) to return to home countries at the end of the program in accordance with the travel schedule designated by JICA,

(6) to refrain from engaging in any political activities, or any form of employment for

profit or gain,

- (7)** to observe Japanese laws and ordinances. If there is any violation of said laws and ordinances, participants may be required to return part or all of the program expenditure depending on the severity of said violation, and
- (8)** to observe the rules and regulations of the accommodation and not to change the accommodation designated by JICA.

IV. Administrative Arrangements

1. Organizer:

(1) Name: JICA Kansai

(2) Contact: Mr.GUNJI Minori (Gunji.Minori.2@jica.go.jp and jicaksic-unit@jica.go.jp)

2. Implementing Partner:

(1) Name: Kyoto Comparative Law Center (KCLC)

(2) Contact: Ms. KIZAKI Chikako (kizaki@kclc.or.jp)

(3) URL: http://www.kclc.or.jp/english/about/pdf/pamphlet/kclc_pamph_en.pdf

(4) Remarks: Kyoto Comparative Law Center was founded as a non-profit foundation under the supervision of the Ministry of Education, Culture, Sports, Science and Technology in 1981, whose main objectives are to provide law-related program and education for oversea participants, and to promote interdisciplinary research activities in the interdisciplinary fields of law, natural science and technology.

3. Travel to Japan:

(1) Air Ticket: The cost of a round-trip ticket between an international airport designated by JICA and Japan will be borne by JICA.

(2) Travel Insurance: Coverage is from time of arrival up to departure in Japan. Thus, traveling time outside Japan will not be covered.

4. Accommodation in Japan

JICA will arrange the following accommodations for the participants in Japan:

JICA Kansai Address: 1-5-2 Wakinohama-Kaigandori, Chuo-ku, Kobe, Hyogo 651-0073, Japan TEL: 81-78-261-0388 FAX: 81-78-261-0465 (where "81" is the country code for Japan, and "78" is the local area code)
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If there is no vacancy at JICA Kansai, JICA will arrange alternative accommodations for the participants. Please refer to facility guide of JICA Kansai (Kansai International Center) at its URL, <https://www.jica.go.jp/kansai/english/office/index.html>

During your stay, your accommodation may be changed several times due to the travel to Kyoto, Tokyo, etc. The information on the accommodation will be given after your arrival in Japan.

5. Expenses:

The following expenses will be provided for the participants by JICA:

- (1) Allowances for accommodation, meals, living expenses, outfit, and shipping,
- (2) Expenses for study tours (basically in the form of train tickets),
- (3) Free medical care for participants who become ill after arriving in Japan (costs related to pre-existing illness, pregnancy, or dental treatment are not included), and
- (4) Expenses for program implementation, including materials.

For more details, please see “III. ALLOWANCES” of the brochure for participants titled “KENSU-IN GUIDE BOOK,” which will be given before departure for Japan.

6. Pre-departure Orientation

A pre-departure orientation will be held at the respective country’s JICA office (or Embassy of Japan), to provide participants with details on travel to Japan, conditions of the participation in the program, and other matters.

V. Other Information

1. Participants who have successfully completed the program will be awarded a certificate by JICA.
2. For the promotion of mutual friendship, JICA Kansai encourages cultural exchange between participants of JICA program and local communities. In some cases, participants will visit school or university to meet the students as a part of development education program. JICA participants are expected to contribute by attending such activities and may be asked to make presentations on the society, economy and culture of their home country.
3. Participants are recommended to bring laptop computers for their convenience. During the program, participants are required to work on the computers, including preparation of Action Plan(AP), etc. Most of the accommodations will have internet access. Also, there is a computer room in JICA Kansai where 14 desk-top computers are available with internet access.
4. Allowances, such as for accommodation, living, clothing, and shipping, will be deposited to your temporary bank account (opened by JICA) 2 to 5 days after your arrival in Japan. It is highly advised to bring some cash / traveler's check in order to cover necessary expense for this period.
5. It is very important that your currency must be exchanged to Japanese Yen at any transit airport or Kansai International Airport (KIX) in Osaka, Japan soon after your arrival. It is quite difficult to exchange money after that, due to limited availability of facility or time during the program.

VI. ANNEX

Instruction for the Country Report

The Country Report consists of the following two parts.

In Part 1, you will describe the trend of inbound and outbound investment, and related laws and regulations in your country.

In Part 2, you will select and analyze priority policy/industry (sector) for further economic development. You will also need to mention about the role of FDI in the context.

You are requested to write your Country Report (**both** Part 1 and Part 2) based on **the given format**. The report should be **typed in English** in less than 10 pages* (12 point font, double-spaced, A4 size paper).

Please submit it **together with the Application Form.**

You are recommended to follow the format and to prepare them carefully, for reasons below;

1. The report will be used to evaluate your general knowledge in this area of study and to determine your acceptance as one of participants (screening).
2. Because the participants of this course will gather from different countries, they will have different background knowledge and understanding of investment environment. Therefore, use of standardized format by all participants will be necessary for ease of doing comparative study.
3. Your country reports submitted will be compiled in booklet and shared with Japanese lecturers and specialists, who are cooperating with this course. It will be vital information in designing and facilitating the group discussion.

At the beginning of the program, you will be making a 20-30 minutes presentation based on this Country Report. Detailed instruction about the preparation of the PowerPoint presentation will be informed at the time of the Notice of Acceptance.

**If you have any supporting documents such as statistical data, please attach them as an annex.*

Country Report for JICA's KCC Program
“A Legal Framework for Ease of Doing Business
for Foreign Direct Investment Promotion(C)” (J1704365)

Name of participant	
E-mail	
Name of Organization	
Organization Chart	Please attach an organization chart (starting from 'section' as the lowest level) of your organization (Circle your section).

Part 1. Investment Environment and Related Laws

<p>(1) Describe the current situation and trend of inbound and outbound investment.</p> <p>➤</p>
<p>(2) Describe your government's strategy on FDI, especially in terms of its role in the development plan of the country.</p> <p>➤</p>
<p>(3) (i) Explain the outline and characteristics of investment-related laws in terms of FDI promotion in your country (e.g. Investment law, PPP / BOT law, Company law, Tax law, Labor law, Intellectual Property Rights law, Land law, etc.)</p> <p>➤</p> <p>(ii) List main promotion incentives that your government offers to investors.</p> <p>➤</p> <p>(iii) Are fiscal/non-fiscal incentives offered to attract foreign enterprises? If so, give a concrete description of their substance.</p> <p>➤</p> <p>(iv) Has your country/area (region) concluded any tax conventions? If so, describe tax incentives in the tax conventions such as tax sparing credit.</p> <p>➤</p>
<p>(4) In your own opinion, what are the areas where your government could make additional efforts to further attract investment? What kind of requests do you think the foreign investors have regarding the investment environment (especially legal environment)?</p> <p>➤</p>

<p>(5) Explain the outline and characteristics of Human Resource Management and Law. (e.g. Employment conditions, Collective Labor Relations, and Social Security System)</p> <p>➤</p>
<p>(6) Does your country have a dispute resolution mechanism on inbound and outbound investment? If yes, explain its outline and characteristics.</p> <p>➤</p>
<p>(7) Describe any law and regulation pertinent to technology transfer from foreign company.</p> <p>➤</p>
<p>(8) Does your country have any policies/acts regarding,</p> <p>(i) Environment protection or preservations (environmental impact assessment)?</p> <p>➤</p> <p>(ii) Social safeguards (social impact assessment, displacement and resettlement plan)?</p> <p>➤</p>
<p>(9) List the bilateral/multilateral and regional economic agreements (in trade, finance and investment) your country/area has concluded, including BIA (Bilateral Investment Agreement), FTA (Free Trade Agreement) and EPA (Economic Partnership Agreement). For each agreements listed, add an explanation of their characteristics regarding FDI, for instance, preferential arrangements and general clauses.</p> <p>➤</p>
<p>(10) Describe the content of project feasibility evaluation (on what points does your country evaluate a project?) e.g. Economy, ESG (Environment, Society and Governance), Technology Transfer, Employment, etc.</p> <p>➤</p>
<p>(11) Does your country have any law or regulation regarding BOT (Built-Operate-Transfer) or PPP in general or in a specific industry?</p> <p>➤</p>
<p>(12) Describe some current and past projects under BOT or PPP schemes in your country.</p> <p>➤</p>
<p>(13) Does your country have any sovereign guarantee (i.e. debt guarantee, viability gap funding, etc.) ?</p> <p>➤</p>

(14) If you do not have any laws and regulations on BOT or PPP in your country, what are relevant sectors? How are major BOT or PPP recipients?



(15) Complete the charge below with the reference of the example of column, Japan.

	[Your Country]	cf. JAPAN
Corporate Income Tax [%]		Approx. 30% effective rate (23.4% as national tax; 1.03% as local tax; 3.019% Corporate inhabitant tax. 3.60% Business tax)
VAT (Consumption Tax) [%]		8%
Personal Income Tax [%]		5-40%
Withholding Tax [%]		Approx. 10-20%
Tax Incentives [Yes/No/Others]		Depends
Import Tariff Incentives [Yes/No/Others]		No
VISA/Work Permit [Difficult?/Easy?]		Not Difficult
Dispute Resolution Mechanisms of FDI & Local investment		Civil Code General court Arbitration/Mediation
One-Stop Office/Shop		Depends (Cabinet Office [Invest Japan], JETRO IBSC)
FDI registration at (what Ministry/Agency?)		No

Part 2. Policy Areas to Create More Robust Environment for Attracting FDI

NOTE: As mentioned in “*Instruction for the Country Report*” (p.13), you will be preparing a final presentation paper based on this report. Selection and analysis which you will make in the following part will be utilized thorough out the program. (It is possible for you to change/modify the selected sector/policy after receiving more detailed explanation on this issue at the beginning of the program.)

(A) Select **ONE** policy area out of following 2 which you think is indispensable to attract more FDI into your country:

- (i) PPP (Public-Private Partnership) for infrastructure investment
- (ii) Industrial Policy (e.g., Manufacturing sector, Natural Resource Processing, etc.)

➤ Selected Policy Area: _____

(B) In regards to Policy Area you chose above in (A), describe **ONE** sector you will focus. (e.g. Following examples are the topics (sectors) the past participants analyzed for)

- (i) PPP: Hydropower, Highway management, Port construction, etc.
- (ii) Industrial Policy: Agro-Processing, Mining, Manufacturing, Tourism, Electronic parts assembling for EPZ, etc.

➤ Selected Sector: _____

(C) Answer the questions below in regards to the policy area/sector you chose in (A) and (B).

Describe the current situation and background of the policy area you have chosen.



Which industries/sectors does your government intend to promote?



By what means? With what kind of timeframe?



What sort of technology does the government intend to bring into the country by attracting FDIs?



*Please elaborate by referring to the topics such as; BIA (Bilateral Investment Agreement); EPA (Economic Partnership Agreement); FTA (Free Trade Agreement); REZ (Regional Economic Zone); WTO Regulations regarding GPA (Government Procurement Agreement); TRIMs (Trade-Related Investment Measures); TRIPs (Trade-Related aspects of Intellectual Property Rights); Technology Transfer; and Financial Schemes, etc.

*Additionally, if you have any legal and policy information/materials related to the selected area; please bring them to Japan as a reference (if available, English version is preferable but local language would also be helpful).

Examples of Information/Materials to be brought

PPP	Laws, Regulations, Guidelines, Any example of <u>PPP projects</u> or its plans.
Industrial Policy	Laws, regulations, guidelines, any example of its projects or plans.
Both	REZ, EPA, FTA, BIA; Any agreements that your country has already concluded, and/or is under negotiation

(D) How do you evaluate **the effectiveness** of the selected policy area/sector and its legal framework in attracting FDI as intended in your government's strategy (related to question Part1(2))?

What are the strengths and weaknesses? What are the challenges?



(E) What would be the possible measures to overcome weaknesses and address the above-mentioned challenges?



NOTE: If any, please attach supporting documents (such as statistical data), as an annex to your report. No page limits, as long as it is relevant.

For Your Reference

JICA and Capacity Development

The key concept underpinning JICA operations since its establishment in 1974 has been the **conviction that “capacity development” is central to the socioeconomic development of any country**, regardless of the specific operational scheme one may be undertaking, i.e. expert assignments, development projects, development study projects, Knowledge Co-Creation Programs (until 2015, so called “training”), JOCV programs, etc.

Within this wide range of programs, Knowledge Co-Creation Programs have long occupied an important place in JICA operations. Conducted in Japan, they provide partner countries with opportunities to acquire practical knowledge accumulated in Japanese society. Participants dispatched by partner countries might find useful knowledge and re-create their own knowledge for enhancement of their own capacity or that of the organization and society to which they belong.

About 460 pre-organized programs cover a wide range of professional fields, ranging from education, health, infrastructure, energy, trade and finance, to agriculture, rural development, gender mainstreaming, and environmental protection. A variety of programs are being customized to address the specific needs of different target organizations, such as policy-making organizations, service provision organizations, as well as research and academic institutions. Some programs are organized to target a certain group of countries with similar developmental challenges.

Japanese Development Experience

Japan was the first non-Western country to successfully modernize its society and industrialize its economy. At the core of this process, which started more than 140 years ago, was the “*adopt and adapt*” concept by which a wide range of appropriate skills and knowledge have been imported from developed countries; these skills and knowledge have been adapted and/or improved using local skills, knowledge and initiatives. They finally became internalized in Japanese society to suit its local needs and conditions.

From engineering technology to production management methods, most of the know-how that has enabled Japan to become what it is today has emanated from this “*adoption and adaptation*” process, which, of course, has been accompanied by countless failures and errors behind the success stories. We presume that such experiences, both successful and unsuccessful, will be useful to our partners who are trying to address the challenges currently faced by developing countries.

However, it is rather challenging to share with our partners this whole body of Japan’s developmental experience. This difficulty has to do, in part, with the challenge of explaining a body of “tacit knowledge,” a type of knowledge that cannot fully be expressed in words or numbers. Adding to this difficulty are the social and cultural systems of Japan that vastly differ from those of other Western industrialized countries, and hence still remain unfamiliar to many partner countries. Simply stated, coming to Japan might be one way of overcoming such a cultural gap.

JICA, therefore, would like to invite as many leaders of partner countries as possible to come and visit us, to mingle with the Japanese people, and witness the advantages as well as the disadvantages of Japanese systems, so that integration of their findings might help them reach their developmental objectives.



CORRESPONDENCE

For enquiries and further information, please contact the JICA office or Embassy of Japan.

Further, address correspondence to:

JICA Kansai International Center (JICA Kansai)

Address: 1-5-2 Wakinohama-Kaigandori, Chuo-ku, Kobe, Hyogo 651-0073, Japan

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