

Germany-Japan: Partnership for “Quality Growth”



Sharing Experience of Industrial Development Cooperation
in Partnership with the Private Sector

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Seminar Objectives

- ❑ Introduce the approach and practices of German and Japanese industrial development & private sector cooperation, for mutual learning.
- ❑ Discuss how the two countries could (even) better contribute to **quality growth** in partner countries, in light of opportunities & challenges emerging in the new era of global development.
- ❑ Special attention:
 - ▶ Partnerships with the private sector, industry-related institutions, local govt., and NPOs.
 - ▶ Contribution to the 2030 agenda for sustainable development (SDGs).

Quality Growth



- ◆ Human resource development
- ◆ Internalization of skills & technology
- ◆ Industrial competitiveness
- ◆ Social inclusion
- ◆ Environmental sustainability, etc...

The 2030 Agenda for Sustainable Development

--Broader, transformative agenda



Why Germany and Japan?



ドイツと日本
Zukunft gestalten
ともに未来へ

(1) Germany and Japan as Like-minded Development Partners

- Germany and Japan share common features on development cooperation.
 - ▶ Concrete, process-oriented support on the ground
 - ▶ Capacity development, human-centered approach
 - ▶ Strength in industrial development cooperation—e.g. manufacturing (*monozukuri*)-centered, jobs, SMEs, TVET, excellence in quality & technology
 - ▶ Sustainability & environmental concern

- Such features are essential to ensure quality growth.
 - ▶ Structural transformation requires industry-and locational-specific approach—not just macro, but meso & micro levels.

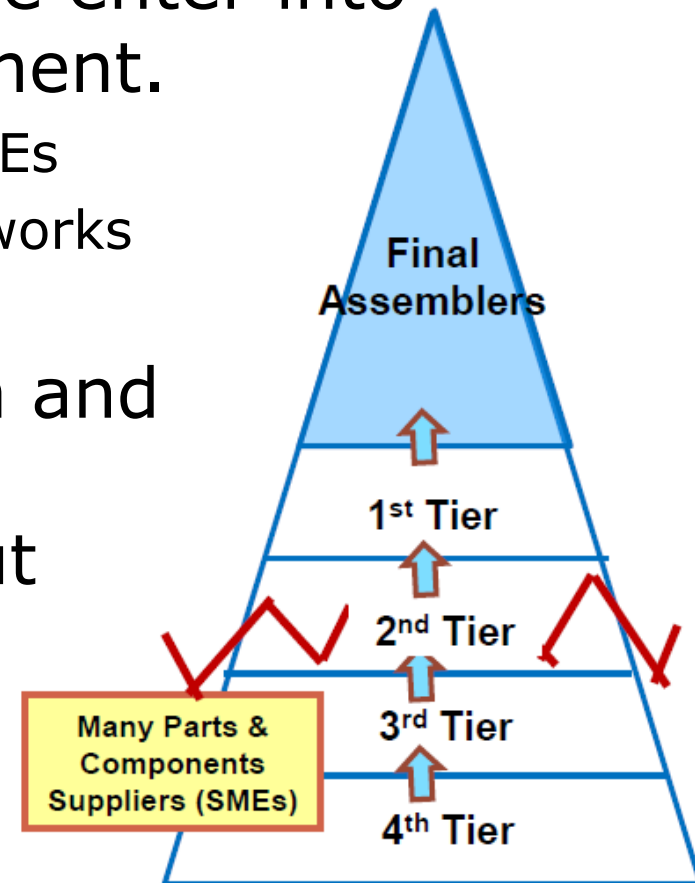
(2) Launch of New Development Cooperation Policy

- ❑ Two countries recently formulated new policies to actively contribute to the 2030 agenda. G7 chair.
- ❑ Germany
 - ▶ Future Charter for German Development Cooperation “One World—One Responsibility” (Nov. 2014)
 - ▶ Sustainable economic development: energy & climate change, as well as attention to standards for human rights, social welfare & the environment
- ❑ Japan
 - ▶ Development Cooperation Charter (Feb. 2015)
 - ▶ Quality growth (inclusive, sustainable, and resilient G) & poverty eradication through such growth
 - ▶ Strategic partnership with diverse actors, by mobilizing their expertise and technologies

(3) Learning from German Experiences (esp. for Japan)

<Changing domestic situation>

- ❑ Japan faces challenges, as we enter into a new era of global development.
 - ▶ Internationalization of Japanese SMEs
 - ▶ Need for deepening production networks in emerging & developing countries
- ❑ Japanese SMEs have passion and technologies to contribute to sustainable development; but lack overseas experiences.
- ❑ Walls(?) btw. business & development teams.



Learning from German Experiences (cont.)

<Changing landscape of int'l development>

- ❑ Some partners are graduating from ODA; but wish to avoid/overcome “middle-income trap.”
 - ▶ Changing relationship: from “aid partners” to “economic partners” (equal footing)
- ❑ Inclusive/BoP business could provide innovative solutions for development challenges.
 - ▶ But, Japanese companies are mostly cautious in frontier countries...
- ❑ Japan needs to sharpen its “core strengths” in development cooperation—as diverse actors are getting engaged in global development.

Issues for Discussions

- Supporting **quality growth** in partner countries
 - ▶ What are “core strengths” of your organization (or country)?
 - ▶ Comparison btw. Germany and Japan (any similarities & differences?)
- Any challenges?
- Use of industrial expertise & ODA networks for **“co-creative” partnerships**
 - ▶ How could/should Germany and Japan effectively mobilize industrial expertise & ODA networks (“assets” accumulated domestically & overseas) to contribute to quality growth of partner countries?

Seminar Program

Introduction to the seminar

Presentations

- Mr. Thomas Rolf, GIZ
“Private sector and development—The German service portfolio”
- Mr. Michael Keleinbub, ZDH
“The role of German business associations and TVET centers in industrial development cooperation
- Mr. Hiroyuki Yoneda, JTECS
“JTECS experiences of forging Japan-Thailand manufacturing partnership

<Coffee break>

Comments and Discussions

- Mr. Yoshinobu Ikura, JICA
- Mr. Yuji Shimo-Osawa, HIDA
- Discussions, Q&A, with all the speakers

Closing remarks (by Ms. Shikibu Oishi, German Embassy)

Appendix

Germany Development Cooperation System

(※GIZ established in Jan. 2011, by integrating GTZ, DED, InWent)

Federal Government

(approx. 90% of ODA budget)

Lander

(Federal state)

Policy

MOF

EC contribution
• Debt relief

BMZ

(Ministry of Economic
Cooperation and
Development)

MOFA

Natural disaster
Humanitarian aid

**Other
Ministries**

GDI/DIE
(Thinktank)

Implementation

Bilateral Cooperation

**Multilateral
Cooperation**

Financial
Cooperation
(**KfW**)

Technical &
HR
Cooperation
(**GIZ**)

Other HR
Cooperation
(**CIM, SES,**
etc.)

PPP
(**DEG, KfW,**
GIZ, SEQUA
etc.)

NPO/NGO,
Party
foundations,
etc.

DED-German Development Service; CIM-Centre for Migration and Development; SES-Senior Expert Service; InWent-Capacity Building International; SEQUA- Foundation for Economic Development and Vocational Training; DEG-German Investment and Development Cooperation

Features of ODA: US, UK, Germany and Japan

	US	UK	Germany	Japan
Volume (ODA/GNI) (2014: net disbursement)	\$33,096 mn (0.19%)	\$19,306 mn (0.70%)	\$16,566 mn (0.42%)	\$9,266 mn (0.19%)
Regional distribution (2013-14: % of total gross disbursement)	1.Sub-Saharan Africa (34.3%) 2.South & Central Asia (12.8%)	1.Sub-Saharan Africa (35.3%) 2.South & Central Asia (17.8%)	1.South & Central Asia (19.0%) 2.Sub-Saharan Africa (15.4%)	1.South & Central Asia (37.9%) 2.East Asia & Oceania (28.2%)
Major aid use (2013-14: % of total bilateral commitments)	1.Social & admin. infrastructure (48.8%) 2.Humanitarian assistance (21.6%)	1.Social & admin. infrastructure (49.9%) 2.Humanitarian assistance (15.0%)	1.Social & admin. infrastructure (36.2%) 2.Economic infrastructure (33.7%)	1.Economic infrastructure (44.6%) 2.Social & admin. Infrastructure (16.5%)
Grant share (2013-14: % of total ODA commitments)	100%	94.1%	71.9%	41.0%
NGO/ODA (2013-14:% of total bilateral commitments)	20.2%	11.4%	7.5%	1.9%

Source: OECD Development Assistance Committee (Statistics on Resource Flows to Developing Countries, as of Dec. 22, 2015)