



# JICA's Industrial Cooperation in Africa

アフリカにおけるJICAの産業開発分野協力

*GRIPS Development Forum's International Seminar on African manufacturing: current status, future prospects and policy direction*

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Japan International Cooperation Agency

English version



# What is JICA?

*Japan International Cooperation Agency (JICA)*

Strong human network through more than 20,000/year personnel dispatched for training in Japan

## Field network

More than 100 overseas offices, 16 domestic offices can provide local information and know-how

More than 9,000 experts and 1,000 volunteers newly dispatched in FY2011

## Human network

with local public and private sectors established through more than 50 years cooperation



## Expertise

Staff and external experts with rich experience and knowledge in developing countries

## Comprehensiveness / public entity

(1) Various cooperation menu; (2) Cooperation with partner governments

# JICA Network: Offices in Africa



**Total: 34 offices**





51 African countries with 39 Head of States and...



Source: MOFA (2013), JICA (2013).

31 partner countries; 71 regional/international organizations; in total 4500 people participated

African leaders strongly welcomed  
**investment from Japan** into Africa !



# JICA's contribution to TICAD V

- Held total of 72 bilateral meetings with 44 African States, including 29 Heads of States.



- Organized/co-organized 19 side-events under over-arching theme “Inclusive and dynamic development in Africa”...

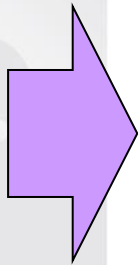


- ...including a side event with ACET “ a preview of the African Transformation Report”



# TICAD V Yokohama Declaration: Overview

## - Pursuing *Quality Growth* through...



Thematic Pillars	Focus Areas
<b><i>Robust and Sustainable Economy</i></b>	<b>(1) Promoting Private Sector-led Growth</b>
	<b>(2) Accelerating Infrastructure Development</b>
<b><i>Inclusive and Resilient Society</i></b>	<b>(3) Empowering Farmers as Mainstream Economic Actors</b>
	<b>(4) Promoting Sustainable and Resilient Growth</b>
	<b>(5) Creating an Inclusive Society for Growth</b>
<b><i>Peace and Stability</i></b>	<b>(6) Consolidating Peace, Stability and Good Governance</b>

# Japan's Assistance Package for Africa at TICADV (only the parts related to "Robust and Sustainable Economy")

## I. Boosting Economic Growth (Private Sector Development, Trade and Investment, Natural Resources)

### (1) Trade and Investment

- ◆ Up to USD 2 billion by NEXI's trade and investment insurance
- ◆ Promote investment treaty negotiation
- ◆ Dispatch **policy advisor** on **investment promotion** to **10** countries
- ◆ **Capacity building** of **300 people in 20 countries** to function **OSBP** (One Stop Border Post) and to facilitate regional trade

### (2) Private Sector Development

- ◆ Assist private sector including USD 500 million co-financing with AfDB under the EPSA (Enhanced Private Sector Assistance for Africa)

### (3) Natural Resources

- ◆ Provide USD 2 billion of public finance by JOGMEC
- ◆ Capacity building of 1,000 people in natural resource industry



# Japan's Assistance Package for Africa at TICADV (only the parts related to "Robust and Sustainable Economy")

## II. Accelerating Infrastructure and Capacity Development (Infrastructure, Human Resource Development, Science and Technology, Tourism)

### (1) Infrastructure

- ◆ **Financial assistance** of approx. **JPY 650 billion** (equivalent to USD 6.5 billion) (ODA and JBIC loan) for **infrastructure**
- ◆ Support formulating **10 strategic master-plans** for urban transportation / infrastructure planning
- ◆ Support development of **5 major growth corridors**

### (2) Human Resource Development

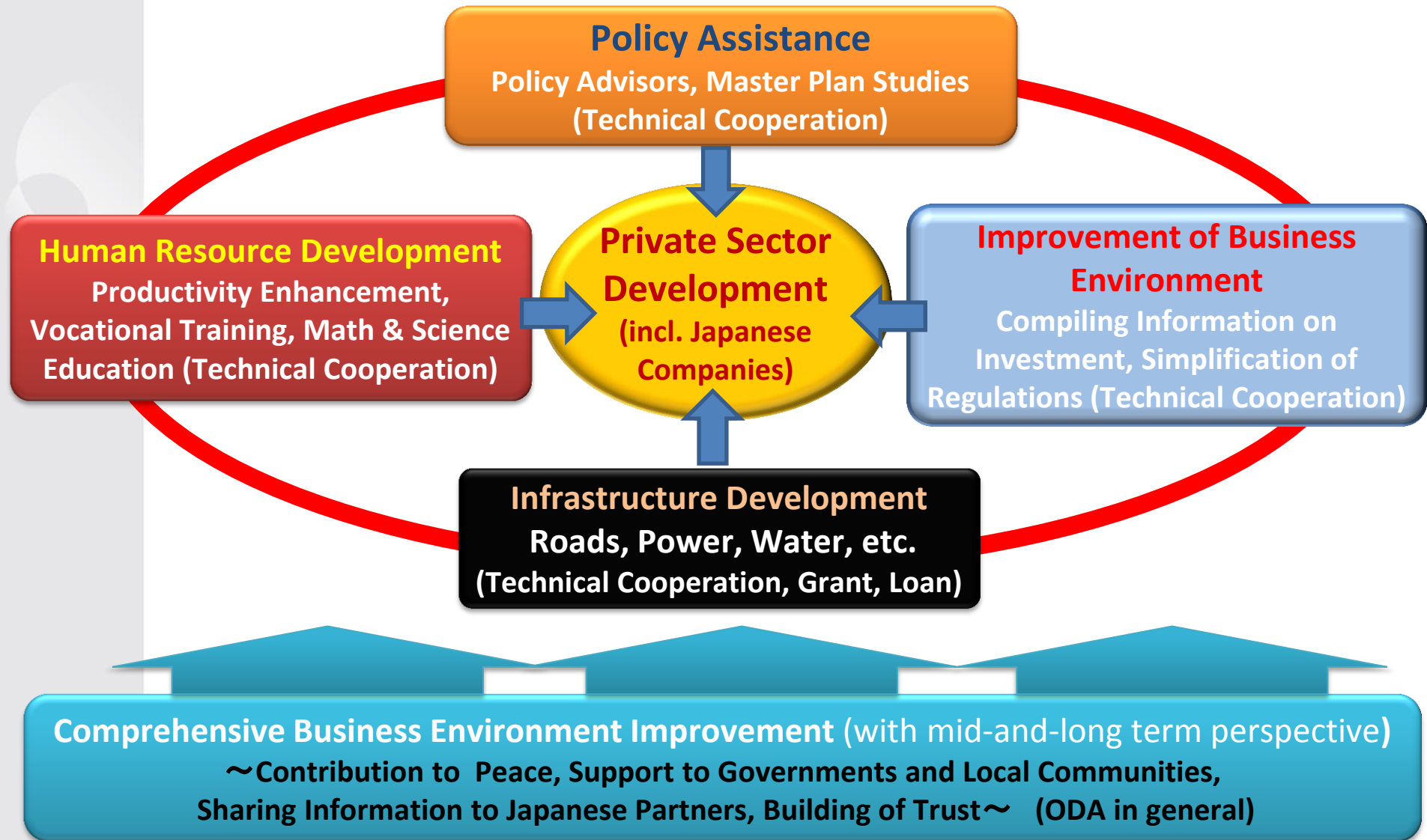
- ◆ **Capacity building** of **30,000** people for **business and industry**
- ◆ Launch "**African Business Education Initiative** for the Youth: **ABE Initiative**<sup>\*1</sup>," inviting **1,000** people to Japan. *\*1 Provide opportunities for competent African youth to study in Japan and intern at Japanese firms through public private partnerships and build networks among the alumni to foster future leaders for business between Japan and Africa*
- ◆ Building TICAD **human resource development centers** for business and industry at **10** locations for **25** countries

### (3) Science and Technology

- ◆ Support research institute and universities including Pan African University (PAU), E-Just, through technical assistance

- (4) Tourism** ◆ Host 10 tourism fairs by MOFA of Japan and JATA ◆ **Capacity building** of **700** people in **tourism industry**

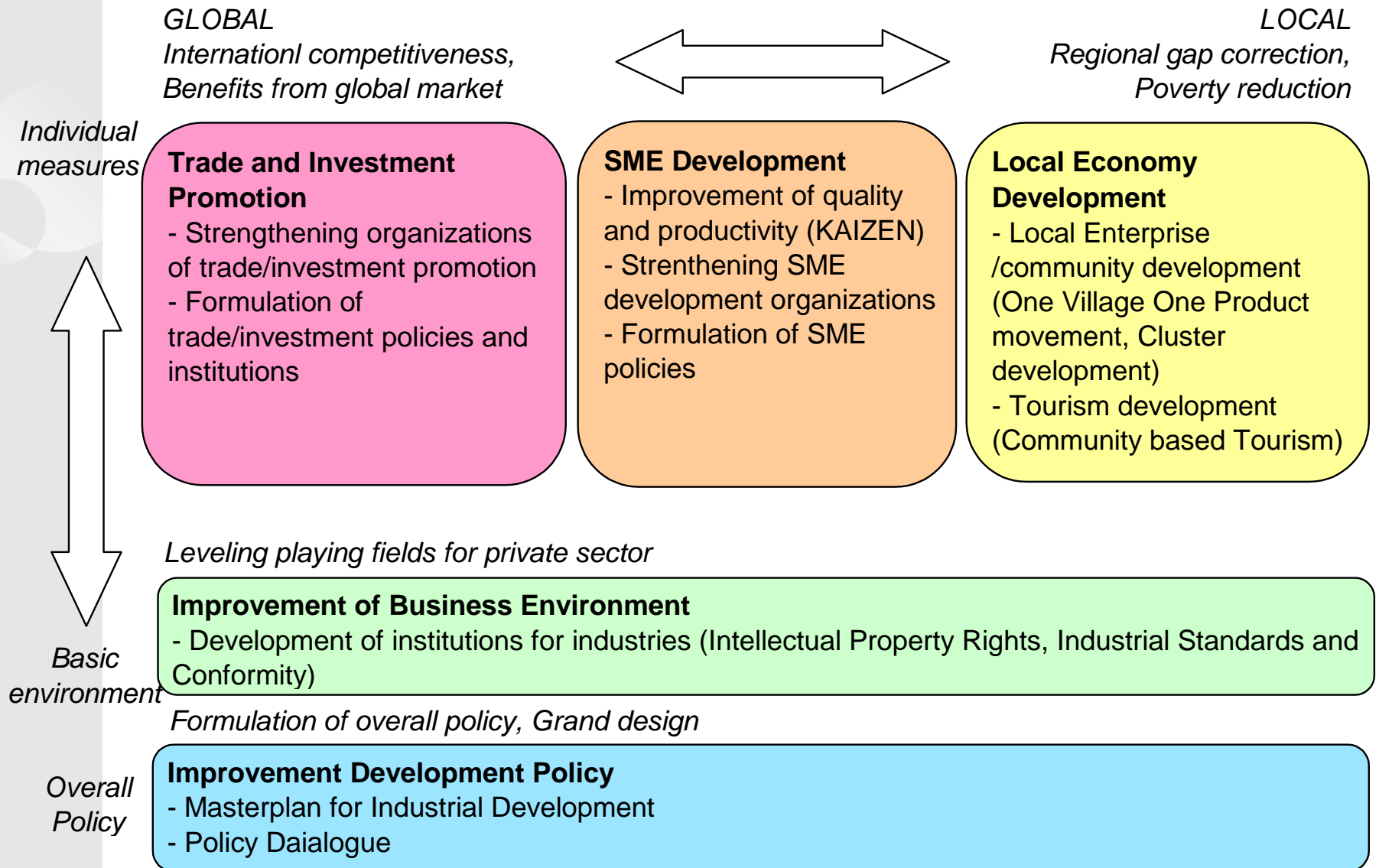
# TICAD V: Robust and Sustainable Economy - JICA's Approach -

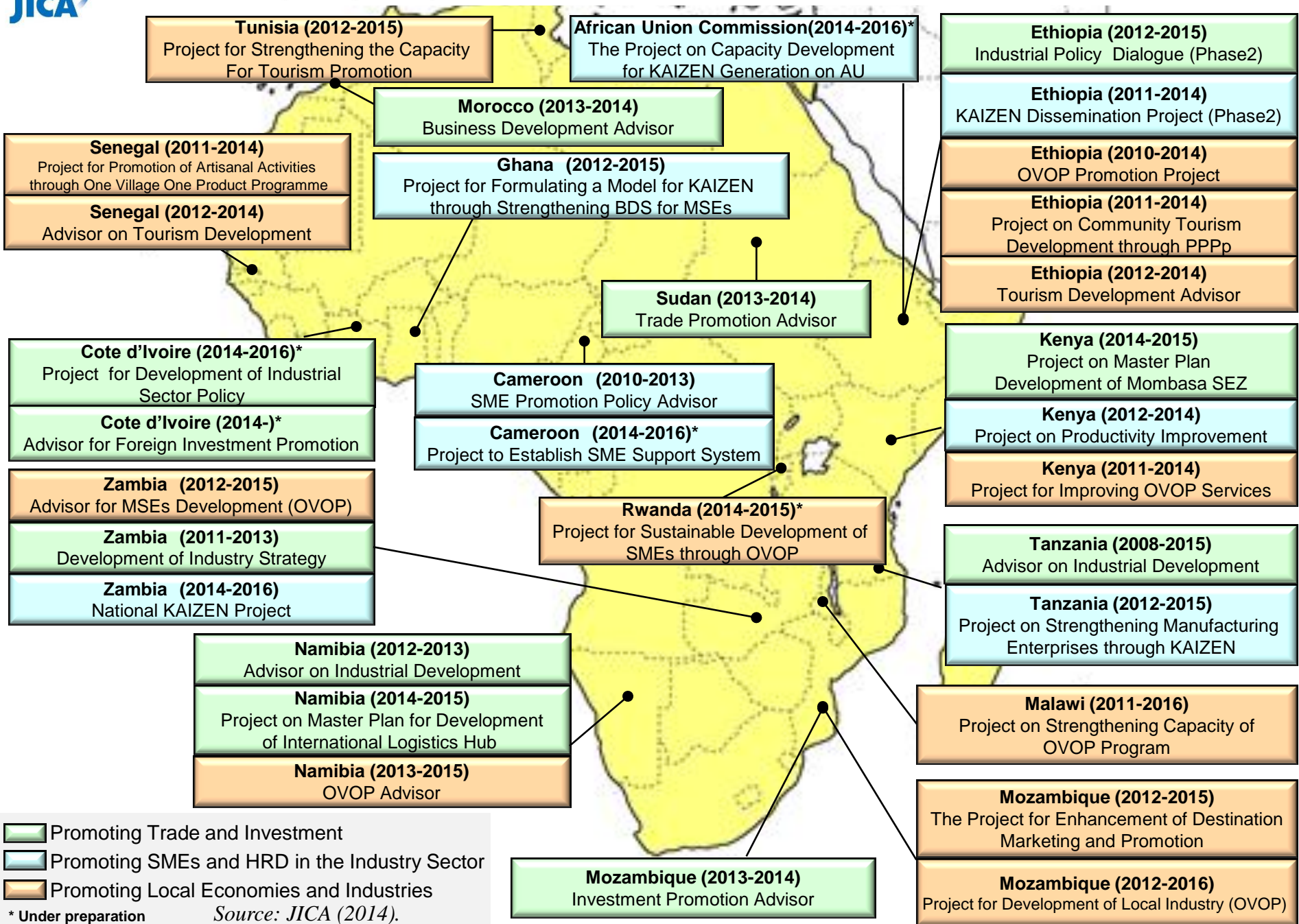






# Approach to Private Sector Development





Promoting Trade and Investment  
 Promoting SMEs and HRD in the Industry Sector  
 Promoting Local Economies and Industries  
 \* Under preparation

Source: JICA (2014).

# Ethiopia: Industrial Policy Dialogue

## Phase 1 (2009-11) & Phase 2 (2012-15)



### Policy Dialogue Themes

#### 1. Policy Visions

Democratic Developmentalism, Agriculture Dev.-led Industrialization (ADLI), Light Manufacturing

#### 2. Five Year Development Plans

GTP (10/11-14/15), GTP2 (15/16-19/20)

#### 3. Sector Policies/Strategies

- Basic Metal & Engineering Industry
- Industrial Development Strategy

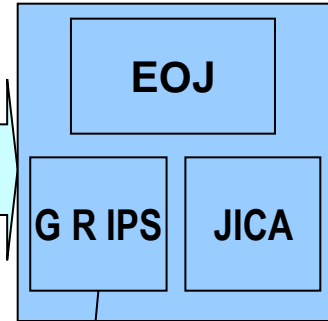
#### 4. Thematic Issues (Phase 2)

- Export Promotion / Champion Product Approach
- FDI Promotion / FDI-linked Technology Transfer

#### 5. Cross-cutting Issues

- MSE Development Strategy
- Policy Making Process and Organizations
- National Movement of Productivity

### Japan



National Graduate Institute for Policy Studies: Professors Kenichi Ohno & Izumi Ohno

*Source: JICA (2013) modified by author.*

Mol - MPDC

Mol - Kaizen Unit & EKI

Taskforce Team

Supplementary Firm-Level Study of Basic Metal and Engineering Industry (2010)

**KAIZEN Project Phase1 (2009-11) & 2 (2011-14)**

Champion Product Approach (2012-)

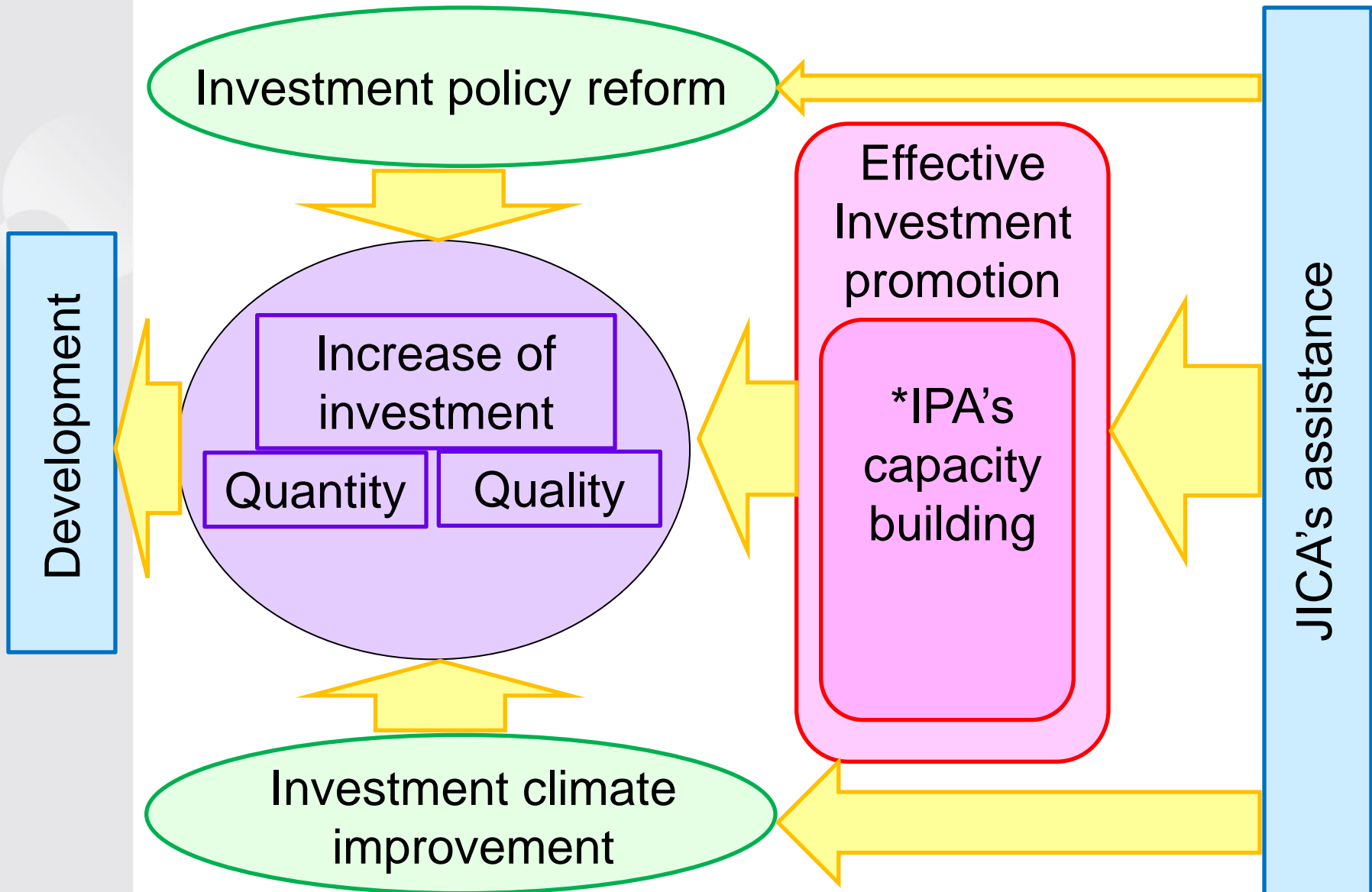
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# Major approaches for investment promotion



# Example: JICA's cooperation in Zambia

## *A case on cooperation in investment promotion*

*Started with a concept "Triangle of Hope"*

Presidential Initiative to promote TOH inspired by JICA Malaysian consultant; 12 Taskforce\* / Action Agenda created under Presidential / Cabinet Office

**Government Will**



**\*12 Taskforces:**  
Edu, Health, Tourism, Agri, Cotton, Finance, Aircargo, Streamlining, ICT, MFEZ, Mining, MSME)

**Streamlining Public Administration**

ZDA & other organisations: investment application process/manual, one-stop service/e-government, monitoring, after care service, client charter, guidebook, tracer study etc.

**Triangle of Hope (TOH)**

Phase 1 (2006-09) policy driven;  
Phase 2 (2009-12) capacity development

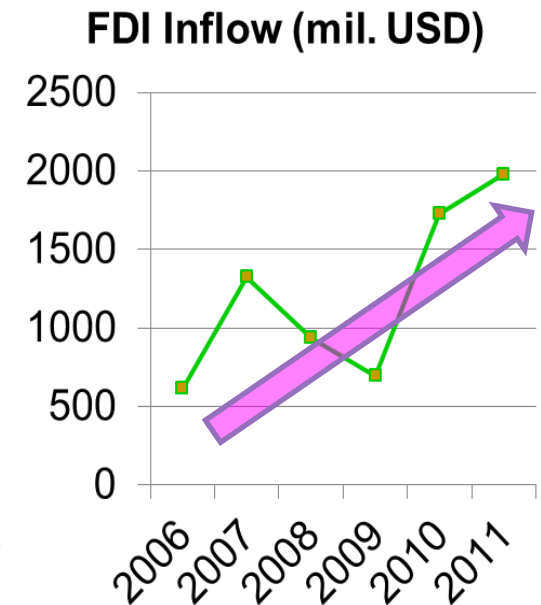
**Private Sector Participation**

Involvement PS in TOH process; Targeted investment promotion missions (Malaysia, India, SA, Japan); diversified sector investment attraction, sector/project profiles etc.

# Zambia: Investment Promotion

## Achievements and contributions

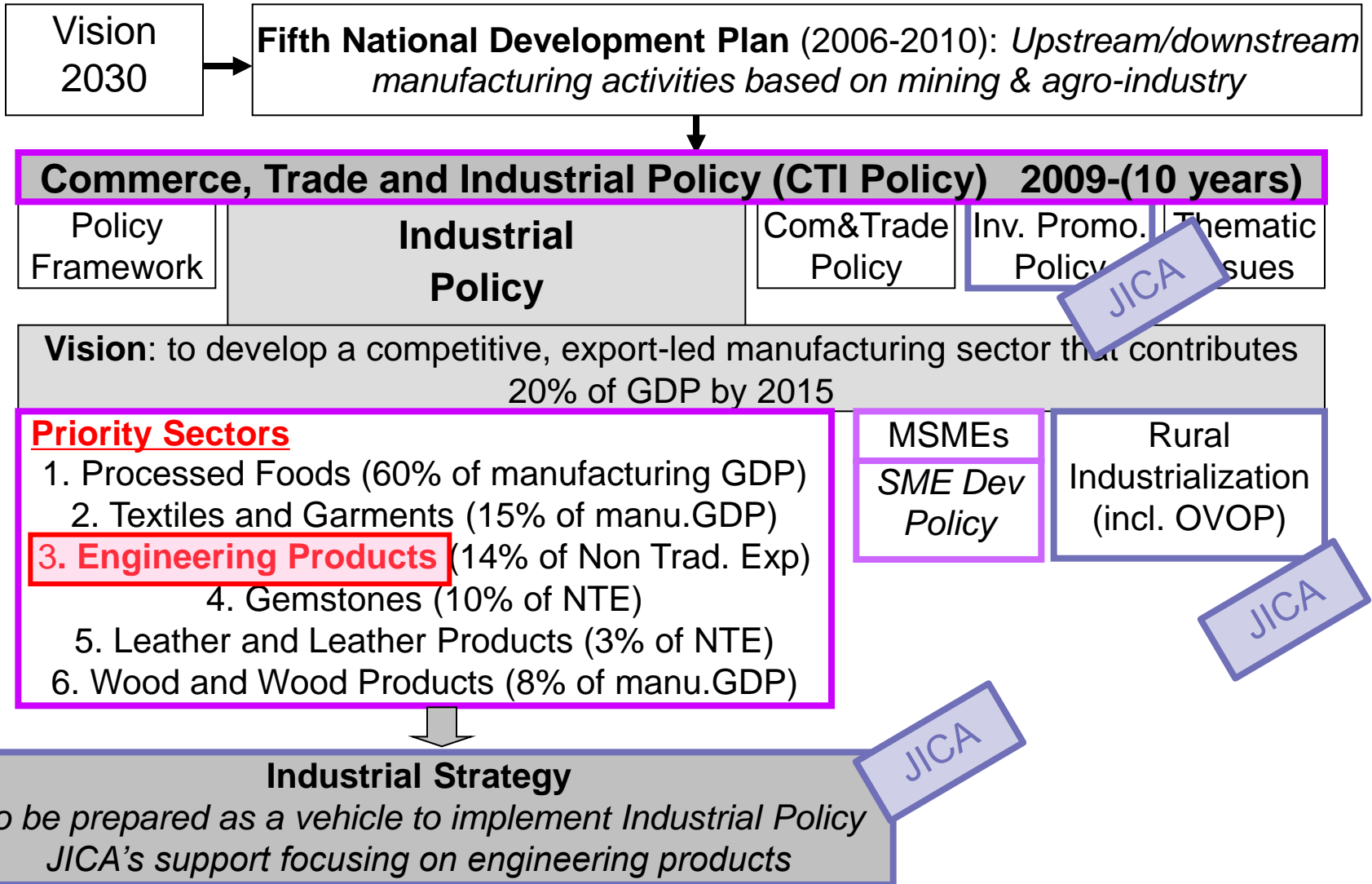
- **Successful projects** include: Africa's almost first mobile phone factory; a large-scale university invested by Malaysian investors; a hospital project invested by an Indian medical enterprise group etc. (diversification; knowledge-based industries are prioritized)
- Contributions to the followings:
  - ✓ **Capacity of ZDA as IPA is enhanced** and **services for investors are improved** (aftercare, targeted ...)
  - ✓ **Doing business results improved**: became the **world No. 7 reformers** and positioned at **7th in Sub-Saharan Africa in DB ranking** (2011)
  - ✓ **Increase of FDI inflow** (see right: 2011 become 4 times bigger than that of 2006)
  - ✓ **Diversification of investment** towards non-traditional sector such as education and health; contribution to economic transformation
  - ✓ Support for **Japanese investment**



Source: UNCTAD (2012),  
processed by author.

Source: JICA (2011, 2012).

# Zambia: Commerce, Trade and Industrial Policy and JICA's cooperation





# Industrial Strategy for Engineering Products: with JICA's assistance

- MCTI/ZDA's capacity development on formulating industrial strategy: focusing on Engineering Products as one of the 6 priority sectors
- 1<sup>st</sup> Half of the Project (2011-12) - CD through drafting a strategy
- **Activities:** (1) Survey on current situation, (2) Strategy formulation unit creation, (3) TT on definition & analysis on engineering products, (4) Analysis on market, linkage & technology, (5) Strategy outlining & drafting, (6) Seminar for stakeholders
- **Copper fabrication sector** and **Iron/Steel sector** are selected as target sub-sectors
- Created "Industry Strategy for Engineering Products: The **Hub of Manufacturing of Engineering Products in the Region**"
- 2<sup>nd</sup> half of the Project (2013): (1) Pre-F/S on Direct Reduced Iron (DRI) production potential, (2) Pilot training & TOT on selected processes on iron and steel
- **Collaboration with TOH Project:**  
Promoting investment in engineering sector



# Multi Facility Economic Zones (MFEZ)

- Idea was created under TOH as one of the 12 Taskforces
- “**industrial areas** for both export orientated and domestic orientated industries, with all the necessary infrastructure provided”
- **Priority sectors:** ICT, Health, Education & skills training, Manufacturing, Tourism, Processing (agricultural products, forest products, non-ferrous metals & their products, gemstones) (*Investors Guide Handbook, ZDA (2012)*)
- **Lusaka South MFEZ:** 2100 ha land; 15 km from Lusaka City; Government of Zambia, supported by JICA and the Malaysian Kulim Hi-Tech Park (KTPC), worked on a Development Master Plan. Currently under development.

# Support for Japanese investment in Africa

## Information

- **Info by 34 JICA offices in Africa**
- **Communication channel with African government**
- **Coordination with other dev. Partners**
- **Common study (infrastructure, logistics, power etc.)**

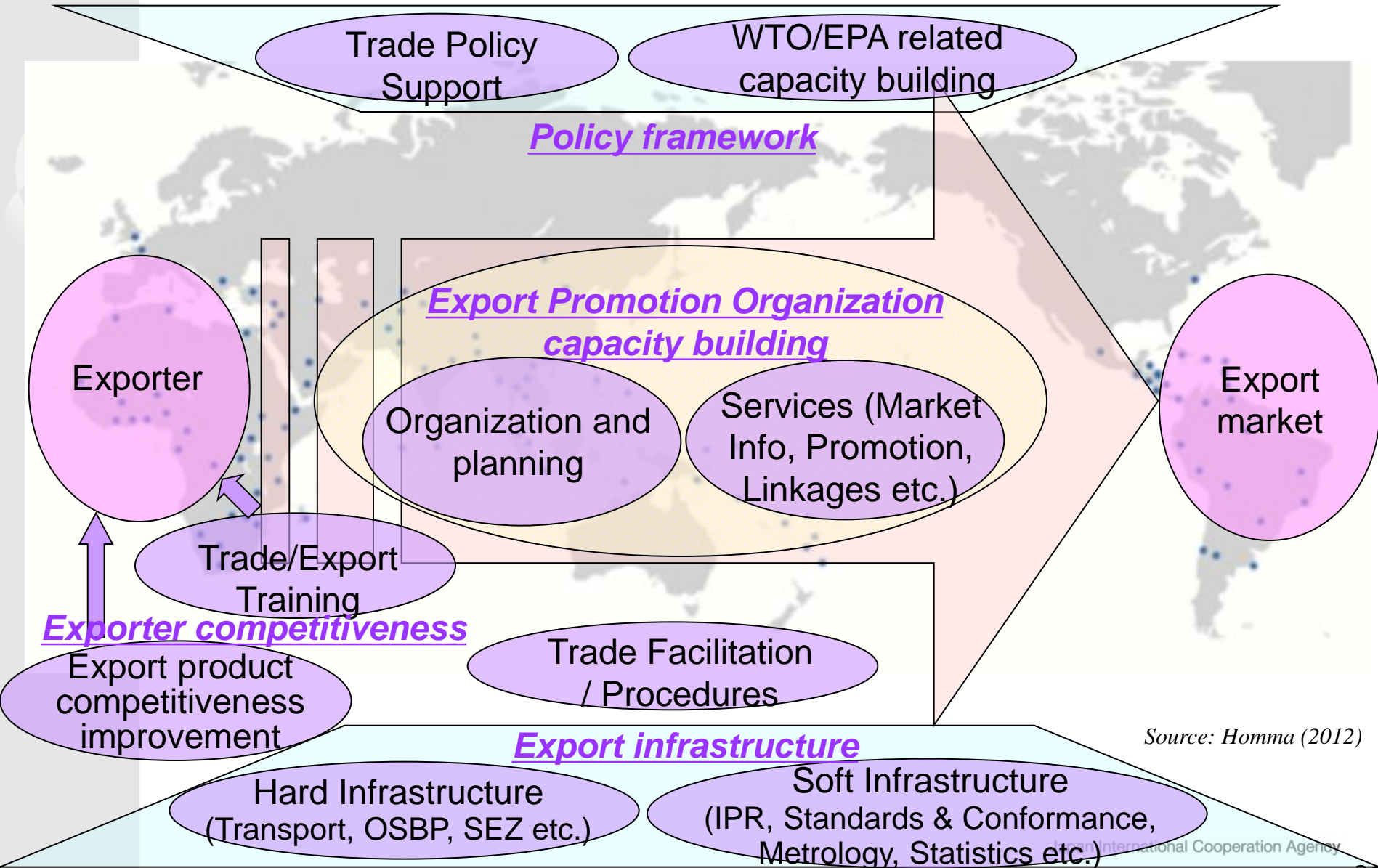
## Study

- **PPP F/S**
- **BOP F/S**
- **F/S and sector surveys for Japanese SMEs**

## Implementation

- **Private Sector Investment Finance**
- **Hard infrastructure improvement (through Loan etc.)**
- **Soft infrastructure improvement (business climate through tech cooperation etc.)**

# Major approaches for trade/export promotion - JICA's experience -



Source: Homma (2012)



# Champion product approach for export promotion in Ethiopia

## "ONLY 1"

- Is very **UNIQUE** and only available in limited places

## "BEST 1"

- Maintain a **SUPERB QUALITY** above other competing products



## "COUNTRY IMAGE"

- **TELL A STORY** based on lifestyle, history and culture of the country
- Project a strongly **POSITIVE IMAGE** of the country



Candidates of Ethiopian Champion Products



← Both Ethiopian and Japanese Prime Ministers are together at the African Fair 2013 in Yokohama, Japan in June 2013 at the Ethiopian booth which displays the Champion Products. Japan International Cooperation Agency

# JICA's approach to Small and Medium Enterprise (**SME**) Development

## 1. Improvement of policies/institutions for SME development

- 1-1. Establishment of SME-related policies/legal system
- 1-2. Establishment of institutional arrangements for policy implementation

## 2. Enhancement of competitiveness of businesses

- 2-1. Promotion of collaboration among businesses/related organizations
- 2-2. Strengthening of managerial/technical capacities of businesses
- 2-3. Improvement of access to finance
- 2-4. Training of business/technical human resources

**SME Development**

# Pillar 1: Improvement of policies/institutions for SME development

## 1-1. Establishment of SME-related policies/legal system

1-1-1. Enhancement of capacities for formulating industrial policies and related laws/regulations

*ex) Industrial Policy Dialogue (Ethiopia)*

1-1-2. Enhancement of capacities for formulating SME promotion policies and related laws/regulations

*ex) Study for M/P Formulation for SME Development (Cameroon)*

1-1-3. Improvement of financial system

## 1-2. Establishment of institutional arrangements for policy implementation

1-2-1. Capacity development of related public administrative organizations

1-2-2. Enhancement of capacities for preparing/analyzing relevant information

1-2-3. Dissemination/awareness raising of policies

# Pillar 2: Enhancement of competitiveness of businesses

## 2-1. Promotion of collaboration among businesses/related organizations

2-1-1. Strengthening of horizontal/vertical relationship among industries

2-1-2. Strengthening of local activities of businesses / cooperatives / economic groups

*ex) One Village One Product (OVOP) (Malawi, Kenya etc.)*

## 2-2. Strengthening of managerial/technical capacities of businesses

2-2-1. Improvement of institutional arrangements for supporting businesses / Enhancement of capacities of supporting human resources

*ex) BDS promotion, Technical institute, SME consultant system*

2-2-2. Enhancement of business skills of enterprises

2-2-3. Enhancement of technologies of enterprises

*ex) Quality and Productivity improvement (Kaizen)*



# Pillar 2: Enhancement of competitiveness of businesses

## 2-3. Improvement of access to finance

### 2-3-1. Enlargement of opportunities for fund raising

*ex) Enhancement of appraisal capacities of financial institutions*

## 2-4. Training of business/technical human resources

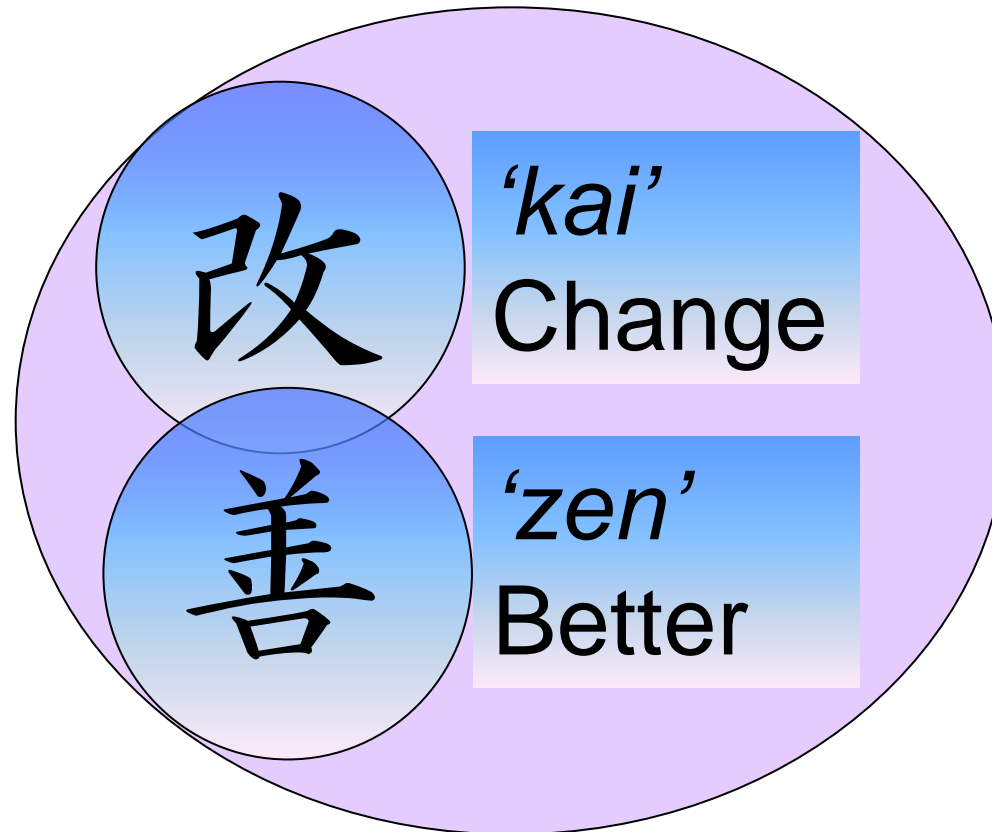
### 2-4-1. Training of entrepreneurs / business human resources / Acquisition of know-how

*ex) Training for basic business manner, business start-up*

### 2-4-2. Training of engineers/technicians

*ex) Training at technical colleges / vocational training institutes*

# KAIZEN



改善(Kaizen) simply means 'Improvement'

# Basic features of KAIZEN

- **Quality** and **Productivity** Improvement
- **Incremental** and **continuous** improvement
- **Without** additional investment
- Participatory process and **bottom-up** from factory floors (*gemba*)
- With strong **commitment** of **top** management
- Practical **methods/tools** as well as **philosophy**
- Base of the **success** of well-known Japanese companies such as Toyota and even SMEs; Idea of KAIZEN is **embedded** in work style / daily life
- Already **spread** in the **world**
- Also spread from manufacturing to service, public and other **sectors**

# KAIZEN methods / tools

## Example of KAIZEN Tools

5S	○Working Environment (see figure below)
Muda dori	○Elimination of waste ○7 types of <i>muda</i>
QC 7 Tools	○Problem analysis & countermeasures
QC Circle	○Small group activity
IE	○Industrial Engineering
TQM	○Total Quality Management

*Source: JICA's World No.28 (2010)*



**5S**

1. Seiri  
(Sort)
2. Seiton  
(Set)
3. Seiso  
(Shine)
4. Seiketsu  
(Standardize)
5. Shitsuke  
(Sustain)



# Initial impact of KAIZEN (Example in Ethiopia)

'Defect ratio improved by 50-70%'

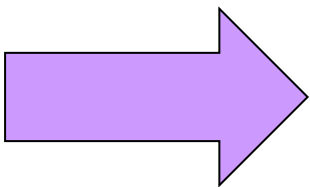
USD 30,000 benefit / pilot company

**Through KAIZEN...**

'Change attitudes  
'Teamwork'

USD 75 benefit / staff  
(=monthly wage)

'Overproduction reduced by 50%'



*These need to be sustained  
= continuous improvement*

# KAIZEN - spread in the world

Kaizen has already spread in the world!

“5S” in many languages

**French**

1. Trier - Débarrasser
2. Etablir - Ordonner
3. Lustrer
4. Standardiser
5. Rénover

**Hindi**

1. संगठन
2. घेचरेख
3. सफाई
4. खज्जना
5. अनुशासन

**Spanish**

1. Descarte
2. Orden
3. Limpieza
4. Estandarización
5. Disciplina

**Indonesian**

1. Ketersaturan
2. Kerapihan
3. Kebersihan
4. Kelastarian
5. Kedisiplinan

**Vietnamese**

1. Sàng lọc
2. Sắp xếp
3. Sạch sẽ
4. Sẵn sàng
5. Sẵn sàng

**Arabic**

1. تصنيف
2. ترتيب
3. تنظيف مستمر
4. توحيد المعايير
5. الإضباط

**Turkish**

1. Sınıflandırma
2. Düzenleme
3. Standartlaştırma
4. Temizlik
5. Disiplin

**Amharic**

1. ግግሪት
2. ግለሰብ
3. ግልጽነት
4. ግለሰብ
5. ግዛብ

**Thai**

1. สะสาง
2. สะดวก
3. สะอาด
4. สุขลักษณะ
5. สร้างนิสัย

**Croatia Montenegro Serbia Bosnia**

1. Definicija
2. Uredanje
3. Čišćenje
4. Standardizacija

**Khmer**

1. សម្រិតសម្រាំង
2. សណ្តាប់ធ្នាប់
3. សំអាត
4. ស្តង់ដារ
5. ស្ថិតស្ថេរ

**Portuguese**

1. Senso de utilização
2. Senso de ordenação
3. Senso de limpeza
4. Senso de normalização
5. Senso de autodisciplina

**English**

1. Sort
2. Set
3. Shine
4. Standardize
5. Sustain

**Swahili**

1. Susambua
2. Sati
3. Sanifisha
4. Sanifisha
5. Shikilia

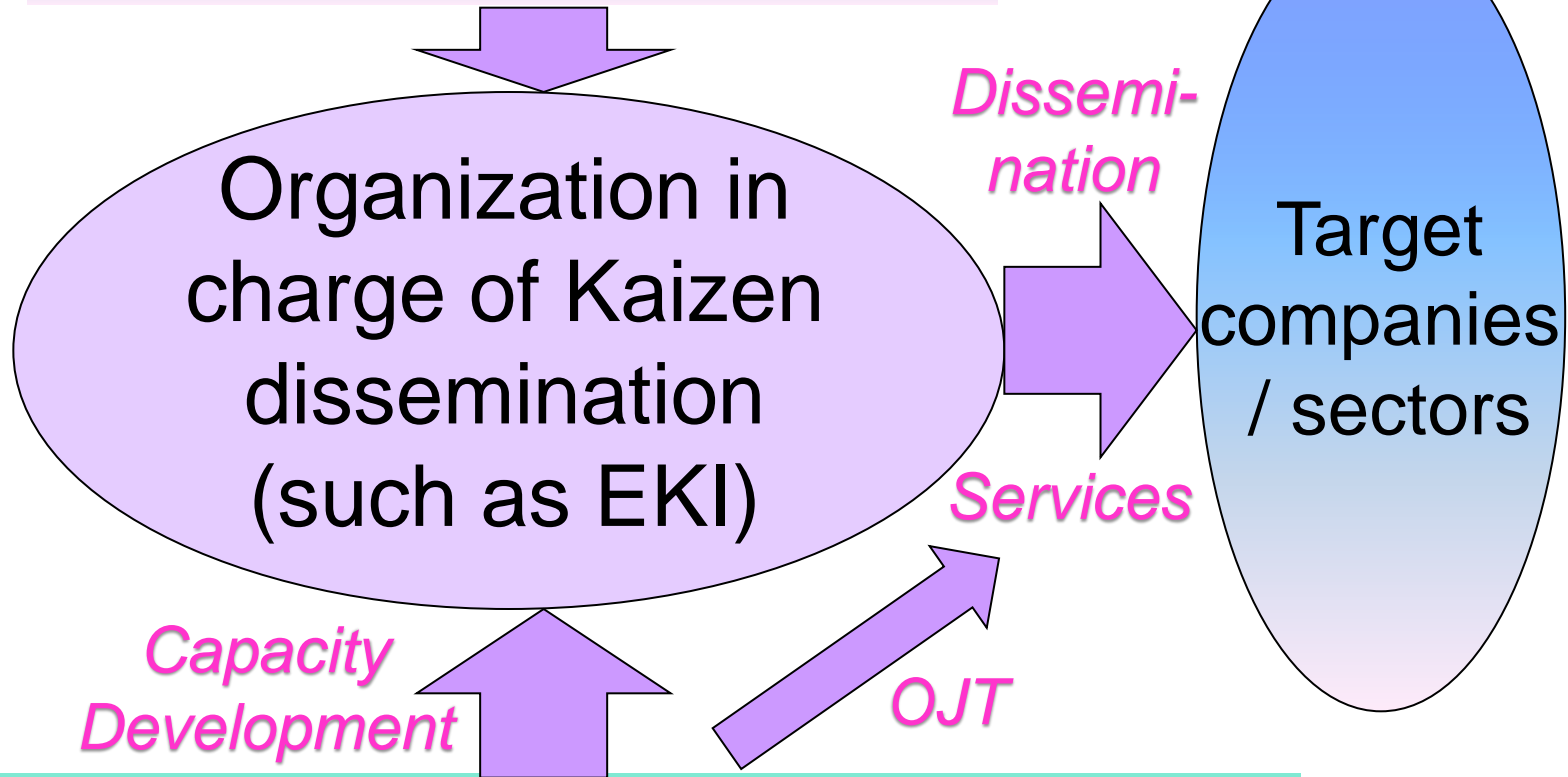
# JICA's assistance in Kaizen

- Beginning with the project for **Singapore** in **1983**
- Spread from **Asia** to **Eastern Europe, Latin America** and now in **Africa**
- Basically bi-lateral cooperation; a few regional cooperation (ex. Costa Rica - Central America)
- Started for industrial development; and spread to other sector – hospital, electricity, public etc,



# Basic approach of JICA KAIZEN

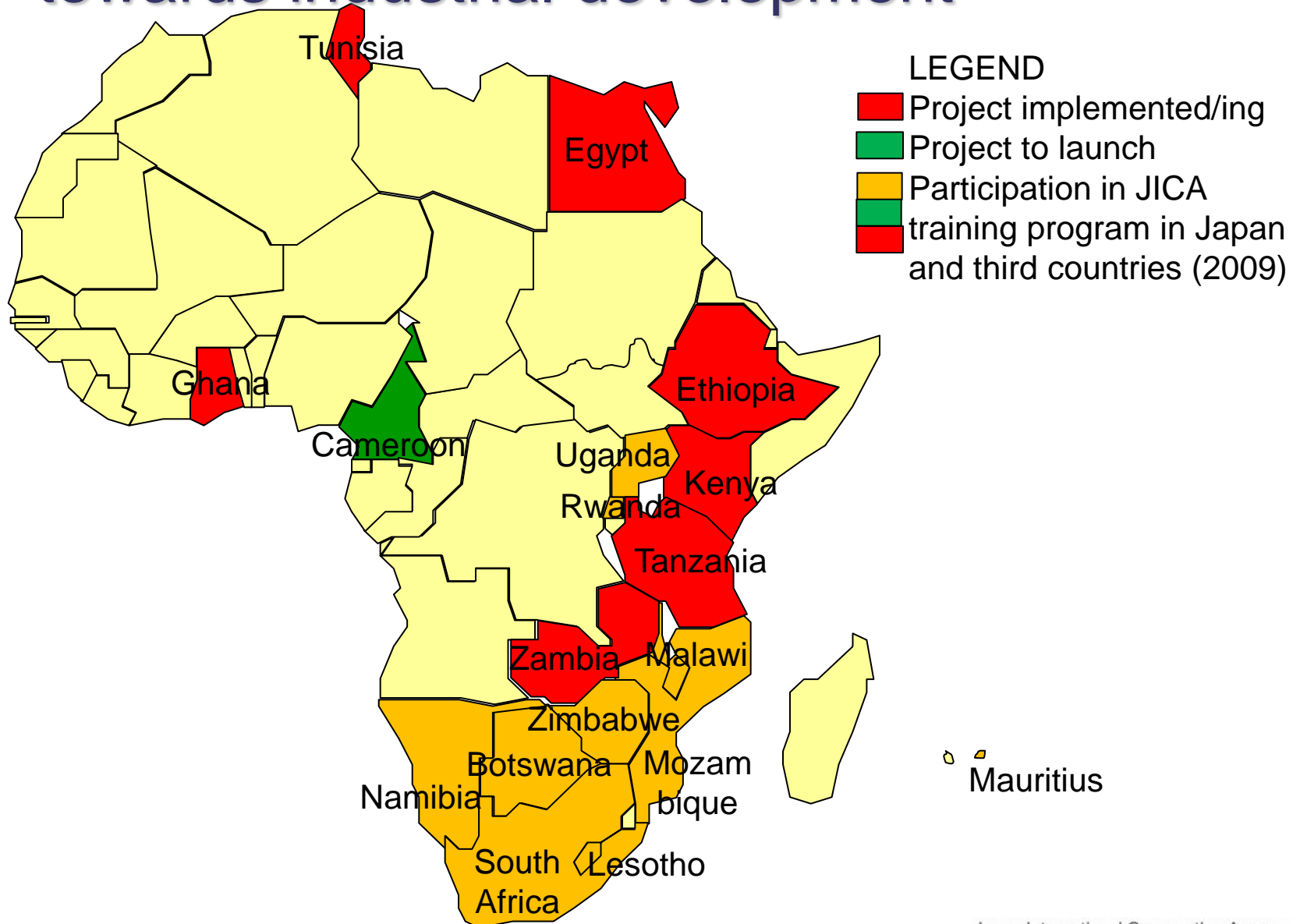
Government policy



Support by **JICA**  
Master plan making, Dispatch of experts,  
Training program (Lecture, In-company),  
Pilot consultation for companies etc.

Source: Homma  
(2013)

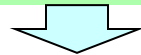
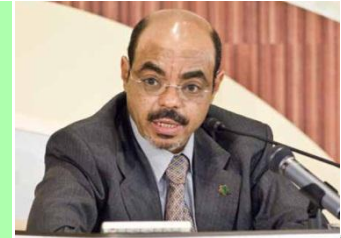
# JICA KAIZEN assistance spread in Africa towards industrial development





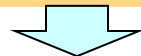
# KAIZEN in Ethiopia with JICA

- Strong initiative and request from Late Prime Minister Meles Zenawi (2008) to Japan
- Creation of Kaizen Unit in MOIT\*



\*MOIT: Ministry of Industry & Trade

- **Phase I:** Study on Quality and Productivity Improvement (KAIZEN) (Oct 2009- Jun 2011)
  - National Plan making; 30 Pilot Companies; Capacity building of Kaizen Unit of MOIT



- Establishment of **Ethiopian Kaizen Institute (EKI)** in 2011; now 76 EKI consultants



DG Mr. Getahun

- **Phase II:** Project for Capacity Building for Dissemination of Quality and Productivity Improvement (KAIZEN) (Nov 2011- Oct 2014)
  - Scale up – Large/Medium Enterprises (65), Micro/Small Enterprises (190)
  - Capacity building of EKI etc.





# KAIZEN in Zambia with JICA

- JICA experts and senior volunteers have been dispatched since 2008
- 131 teams from 37 organisations participated in Kaizen programme by 2012
- National KAIZEN Conference (2010, 2011, 2012, 2013)
  - Participated from various sectors including manufacturing, non-manufacturing, service and public



- “Kaizen Institute of Zambia (KIZ)” was established in Oct. 2013 and “National KAIZEN Project” was launched in Feb. 2014 by support of JICA

# Africa – Japan Win-Win

Thank you  
Merci

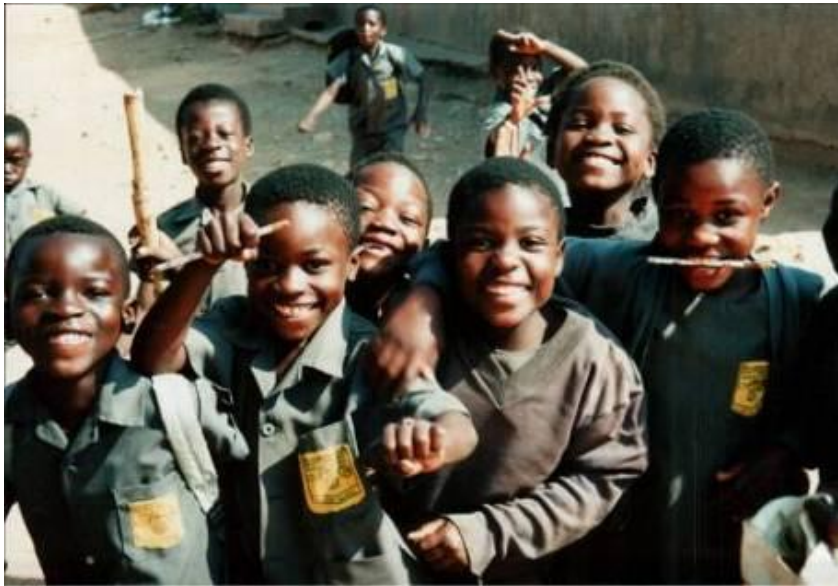


Photo: Homma



ご清聴ありがとうございました  
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