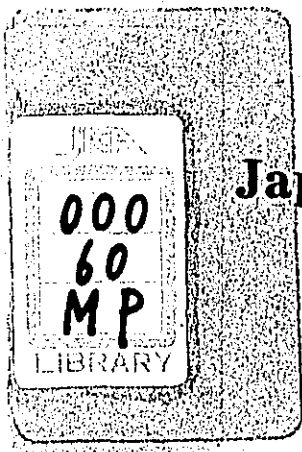


# **INTRODUCTION OF MINING & INDUSTRY DEPARTMENTS**

October, 1974



**Japan International Cooperation Agency**

国際協力事業団

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The Government of Japan has been concentrating its utmost efforts on programs of economic cooperation with developing countries. The amount which went into economic cooperation in 1973 came to 1.4% of Japan's GNP, far surpassing the target figure of 1% set by UNCTAD.

The Government of Japan, motivated by humanitarianism and the ideal of international economic co-existence, is forcefully promoting economic cooperation. As a result, the amount Japan has put into programs of economic cooperation has undergone a large increase with each passing year. In 1960, UNCTAD adopted a resolution calling on the developed countries to budget 1% of their GNP for economic cooperation. In that year, Japan devoted to economic cooperation \$2,400,000,000, or 0.5% of its GNP. By 1973, the figure had risen to \$5,840,000,000, or 1.4% of its GNP, thus reaching a level well above the goal set by UNCTAD. In terms of absolute figures, Japan has become the world's number two contributory country, second only to the United States.

Assistance Extended by Principal Member Nations of DAC

(In millions of \$)

Country	1960		1973		Percent of Increase 1973/1960
	Amount	Percent of Total	Amount	Percent of Total	
United States	\$3,818	21.0%	\$7,532	31.2%	197%
Japan	246	1.3	5,844	24.2	2,367

France	1,325	7.3	3,014	12.5	227
West Germany	628	3.4	1,790	7.4	285
Britain	881	4.8	1,322	5.5	150
Total for all member nations	\$18,115	100.0%	\$24,151	100.0%	133%

It is the policy of the Japanese Government to place greatest emphasis on government-based cooperation and on technical cooperation in particular. For this purpose, the Government of Japan has newly established the Japan International Cooperation Agency, and, at the same time, has given forceful assistance to technical cooperation programs on non-government levels as well.

UNCTAD has set 0.7% of GNP as the target amount for government-sponsored development aid, i.e., Official Development Assistance (ODA). Japan's 1973 record was a low 0.25%. Moreover, the amount expended for technical aid was a mere 5.8% of the Japanese Government's entire development aid program. This was low as compared to the 21.4% average for the 16 developed countries as a whole.

Thereupon, the Government of Japan, in the belief that government-sponsored development aid, technical cooperation in

particular, should be given a strong boost, established the Japan International Cooperation Agency on August 1, 1974.

Record of Technical Aid by Type (In thousands of \$)

Type \ Year	1971		1973	
	Amount Expended	No. of People	Amount Expended	No. of People
1) People Received in Japan	\$7,244	3,884	13,910	5,743
Students	5,965	648	3,758	750
Training Participants	1,279	3,236	10,152	4,993
2) People Sent from Japan	13,464	2,978	28,818	3,470
Experts	11,041	2,298	25,784	2,831
Japan Overseas Cooperation Volunteers	2,423	680	3,084	639
3) Machinery and Equipment Grants	5,632	-	8,636	-
4) Surveys, etc.	1,361	-	5,814	-
Total	27,701	6,862	57,178	9,213

Activities of the Japan International Cooperation Agency

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| <ol style="list-style-type: none"> <li>1. Technical Cooperation</li> <li>2. Japan Overseas Cooperation Volunteers Activities</li> <li>3. Investment and Financing</li> <li>4. Emigration from Japan</li> </ol> |
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The Japan International Cooperation Agency, born of an amalgamation of the former Overseas Technical Cooperation Agency and Japan Emigration Service, and taking over a portion of the activities of the Japan Overseas Development Cooperation, was inaugurated for the purpose of carrying out technical cooperation sponsored by the Government of Japan.

Capital: ¥22,400,000,000 (Entirely government financed)

President: Shinsaku Hogen (Former Foreign Vice-Minister)

Breakdown of activities:

1. Technical Cooperation

- (1) Performing studies and surveys for the purpose of formulating development programs and projects in developing countries
- (2) Assigning experts to developing countries
- (3) Receiving participants from developing countries for training in Japan
- (4) Offering machinery and equipment grants in conjunction with technical cooperation
- (5) Other types of project cooperation in combination with one or more of the above

2. Securing and training of technical experts necessary for implementing technical cooperation

3. Investment and Financing

- (1) Financing of activities aimed at improving the social infrastructure in the vicinity of a development project

- (2) Financing of activities aimed at experimental development (other than of petroleum, natural gas, manufacturing industries, and metals mining)
4. Japan Overseas Cooperation Volunteers Activities  
Overseas assignment of young Japanese volunteers with technical skills
5. Facilitating of emigration by Japanese to Central and South America and elsewhere

The Japan International Cooperation Agency has been organized in such a way as to permit forceful implementation of Japan's technical cooperation and overseas investment and financing activities.

Organization (Department names still tentative):

Mining and industrial Development Planning and Survey Department---

Planning and surveys related to mining and industrial development

Mining and Industrial Development Cooperation Department---

Technical Cooperation and investment and financing related to the mining and manufacturing industries

Agricultural and Forestry Development Planning and Survey Department---

Development planning and surveys related to agriculture

and forestry

Agricultural Development Cooperation Department---

Technical cooperation and investment and financing related  
to agricultural development

Forestry Development Cooperation Department---

Technical cooperation and investment and financing related  
to forestry development

Social Development Cooperation Department---

Technical cooperation and investment and financing related  
to improvement of social infrastructures

Medical Cooperation Department---

Technical cooperation related to the field of medicine

Experts' Assignment Department---

General operations related to the overseas assignment of  
experts

Training Affairs Department---

General operations related to receiving participants from  
developing countries in Japan



Operations of the Mining and Industrial Development Planning and Survey Department and the Mining and Industrial Development Cooperation Department (hereinafter referred to as the Mining and Industry Departments)

The Mining and Industry Departments carry out three important functions. The first is that of research and investigation.

When a developing country wants to develop a mine, electric power, a manufacturing industry, etc., the departments cooperate with that country in carrying out the various types of studies and surveys required.

Research operations are conducted at each step of a project from preliminary research to final construction:

1. Project Formation Research

- (1) Collection of information related to an anticipated development project in a developing country and pinpointing items requiring investigation
- (2) Surveys for the purpose of determining priorities among research projects under contemplation. In 1973, the former Overseas Technical Cooperation Agency sent investigative missions to countries in Southeast Asia, Latin America and East Africa

2. Development Planning and Surveys

The departments formulate a basic development plan from a comprehensive viewpoint for each development project.

Recent examples:

- \* Planning and surveys in preparation for developing synthetic chemical and textile industries in Indonesia
- \* Planning and surveys in preparation for a long-range project to develop electric power in the Visayas area in the Philippines
- \* Planning and surveys in preparation for industrial development on the Mahaweli Ganga in Sri Lanka

### 3. Feasibility Studies

After completing the basic planning and survey stage, the departments examine each project from the viewpoint of technological and economic feasibility.

Recent examples:

- \* Study into the feasibility of a hydroelectric power project in Nepal
- \* Study into the feasibility of a hydroelectric power project in the Yangas area of Peru
- \* Study into the feasibility of constructing city-gas facilities in Bangkok

### 4. Basic Surveys for Developing Natural Resources

In addition to the above, the departments undertake basic surveys into ore deposits and geological conditions in areas where promising mineral resources are believed to exist, and

draws up geological maps and charts.

The departments also carry out surveys to discover the type of improvement that should be made in the infrastructure for the purpose of developing resources in a given area.

Recent examples:

- \* Surveys in preparation for the development of resources in the Monywa area of Burma
- \* Surveys in preparation for the development of resources in the Yauri area of Peru

The second function of the Mining and Industry Departments is technical cooperation. The departments send experts to developing countries to aid in upgrading the technical levels of their mining and manufacturing industries. The departments receive participants (administrative officials, corporate executives and management personnel, engineers, etc.) in Japan for advanced or specialized training.

#### 1. Training in Japan

Upon request from a developing country, the Agency receives people engaged in one or more of various occupational fields in that country and cooperates in ensuring that they acquire technical know-how of the type deemed necessary. Those received are placed

for training in various places, depending on their needs. These include Government organs, colleges and universities, as well as private industry.

Training content covers a wide area, including government administration, compilation of statistics, foreign trade, and mining and industry.

Training is conducted by one of two alternative methods--by group or by individual.

The group method is offered to groups of participants in specific pre-selected areas.

The individual method is offered to people from selected countries, the subject of study being chosen by the country of origin.

The total number of participants received in Japan in 1973 was 2,079, of whom 413 were trained in the fields of mining and manufacturing.

## 2. Assignment of Experts

The Mining and Industry Departments cooperate in helping to raise technical levels of developing countries by assigning experts on request.

These experts include administrative officials and technical experts from the Government of Japan, as well as engineers and men with high-level managerial leadership ability from the various sectors of private industry. Such experts are generally assigned for a period of from two to three years.

When experts are sent, they take with them grants of whatever machinery and equipment may be necessary to enhance the effects of the educational process.

Similar grants are often made to the institutions to which former training participants belong.

In 1973, a total of 9,213 experts in the fields of mining and manufacturing were sent abroad.

### 3. Overseas Technical Cooperation Centers

Under the Overseas Technical Cooperation Centers program, the Mining and Industry Departments, at the request of developing countries, extend cooperation by sending experts as well as machinery and other equipment for the purpose of improving their technical standards.

The cooperation extended under this program differs from the assignment of experts described earlier two respects:

Firstly, the guidance extended by the experts sent under the earlier described program is limited to groups of people belonging to specific organizations, while the Overseas Centers program is designed to extend guidance to undefined groups of individuals.

Secondly, the training in the Overseas Centers program is given in training centers established specifically for that purpose.

A portion of the cost of establishing and operating a Technical Cooperation Center is borne by the host country.

The period for extending assistance to a Technical Cooperation Center in a developing country is normally set at three years. At the end of 1973, the number of Technical Cooperation Centers which had been established stood at 14. The most recently established include cotton spinning and dyeing centers in Ghana and Brazil; machine processing centers in Iran, Kenya, the Philippines, and Singapore; and an electronics center in the Republic of Korea.

The third function of the Mining and Industry Departments is that of financing and investments. This is a new role for the Japan International Cooperation Agency.

When a Japanese enterprise launches a development project in a developing country, it is normal that related facilities to improve the effects of the project be constructed in such manner as to contribute to the welfare of the people living in the area. It is a function of the Mining and Industry Departments to provide the necessary financing for such facilities.

The most important part of the financing and investment function of the departments is to extend loans for the purpose

of improving the infrastructure in areas where development projects take place.

When such development projects as construction of a mine or a factory are undertaken in developing country, it is often necessary to construct such facilities related to the industrial infrastructure as roads, harbors, bridges and electric power stations, as well as to provide such general, project-related facilities designed for public safety and well-being as hospitals, schools, waterworks and fire stations and equipment. Such facilities are necessary not only to the successful accomplishment of a development project but at the same time are of inestimable value in enhancing the welfare of the citizens living in the project area. When such facilities are deemed necessary or desirable as a means of improving a local infrastructure, it is the Japan International Cooperation Agency which supplies the requisite loans.

Another important part of the financing and investment function of the departments is the financing of experimental and pilot projects relating to the development of nonmetallic mineral mining industries.

In both of the above cases, the recipients of all financing and loans are the Japanese corporations which are actually carrying out the development projects.

The volume and scope of Japan's technical cooperation is

increasing at both government and non-government levels.

The Government of Japan is also extending financial aid to technical cooperation projects being carried out at the non-government level.

The area of non-governmental technical cooperation is extremely wide, encompassing surveys and research from every level from initial project planning to actual project execution. It also includes the dispensing of know-how through acceptance of trainees from overseas and assignment of experts to developing countries.

Non-governmental technical cooperation derives basically from two sources: that carried out by private business and that carried out by various institutions and associations.

Technical cooperation by private business is in most cases carried out in conjunction with trading activities, investment and loan arrangements, and technology agreements with a developing country.

Technical cooperation carried out by institutions and associations has no direct relation to any specific business activity. It is extended rather, as in the case of Government-based cooperation, in response to a request from any developing country. Cooperation extended by such private institutions and organizations is often undergirded by financial aid from the Government.



Requests for such cooperation are processed either in Japan through the Ministry of Foreign Affairs or the Ministry of International Trade and Industry or else through such organizations as the Asia Productivity Organization (APO) or the United Nations Industrial Development Organization (UNIDO).

The names of the institutions and associations involved in economic cooperation related to the fields of mining and manufacturing are as follows:

1. Association for Overseas Technical Scholarship

An outstanding record of accepting training participants, particularly those sponsored by the private sector.

Training period: 6 months

2. Japan Productivity Center (JPC)

Accepts training participants in response to requests from APO.

3. Organization for Industrial, Spiritual and Cultural Advancement-International (OISCA-International)

Accepts training participants from developing nations, sends experts, and undertakes industrial development projects.

4. The Japan Chamber of Commerce and Industry

Has established a headquarters to service requests for overseas business and technical cooperation, keeps a register of small and medium businesses and technical experts, and services requests from developing nations for the dispatch of experts.

5. Japan CIOS Association

Has established an International Management Cooperation Committee for the purpose of sending experts on business management to developing countries.

6. Engineering Consulting Firms Association

- (1) Prepares preliminary project surveys
- (2) Carries out basic research on project formation
- (3) Processes requests for consulting services

Membership: 51 firms

7. Japan Engineering Institute

- (1) Offers technical consulting services related to the export of plants and machinery
- (2) Extends cooperation in preparing designs and estimates and offers follow-up services
- (3) Carries out feasibility studies

Please submit requests for cooperation to the Japan International Cooperation Agency by applying through your government to the Japanese Embassy. The documents required for such application may be obtained either from the competent office of your Government or from the Japanese Embassy in your country.

Address of the Japanese International Cooperation Agency

Japanese International Cooperation Agency  
Shinjuku Mitsui Building,  
2-1, Nishi-Shinjuku, Shinjuku-ku,  
Tokyo, Japan

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