



SDGs Business Supporting Survey

Private Sector Partnership and Finance Department

Japan International Cooperation Agency (JICA)

Updated in January 2023



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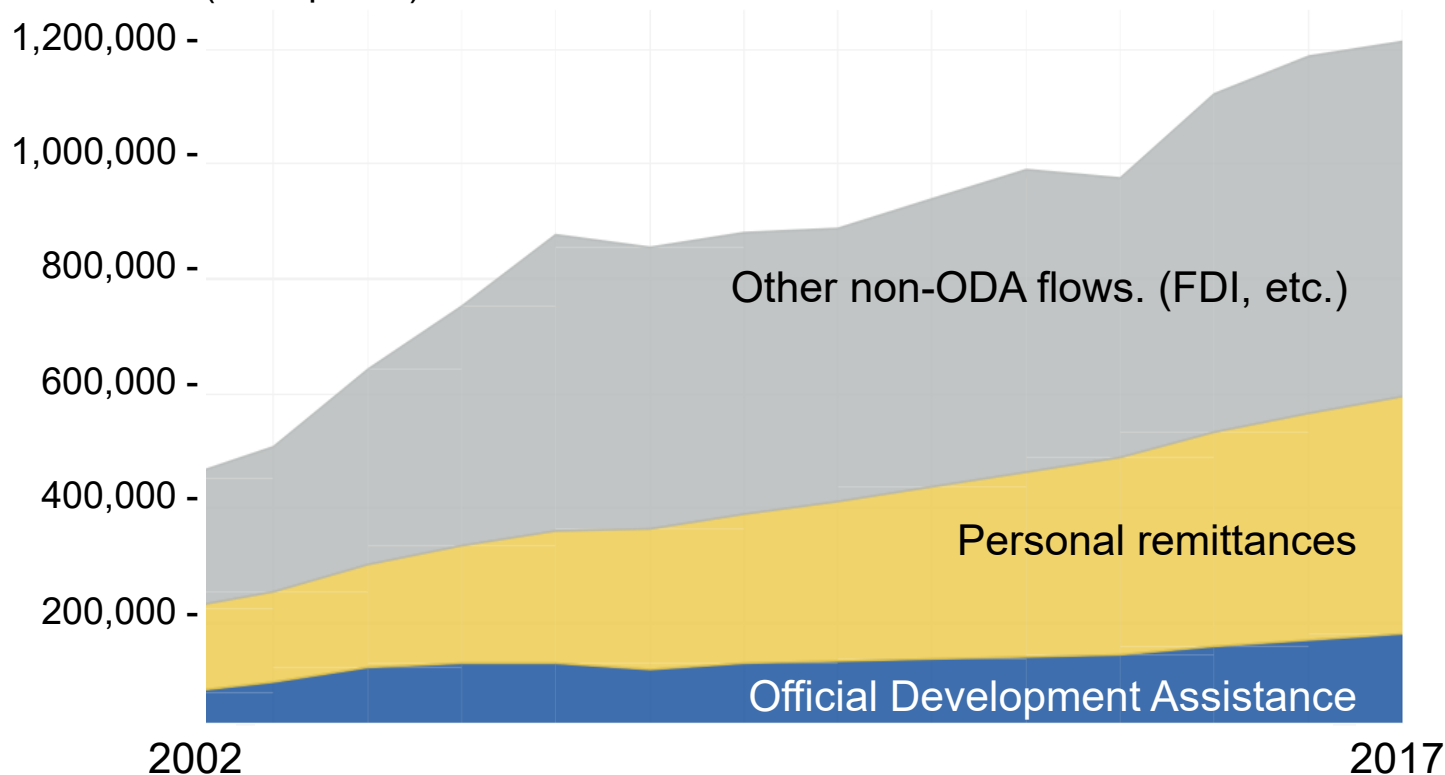
1. Background and Concept

Background | Expanding the Role of Business in Development Cooperation

At a time when private sector funds far exceed ODA among the funds flowing into developing countries, collaboration between development and business (private-sector partnership projects) is becoming increasingly important in Japan's ODA as well.

Changes in the Breakdown of Funds Inflows into Developing Countries

USD million (2016 prices)



Source: OECD "Big picture of total resource receipts"

Future Collaboration in Development and Business

- Equal Partnership
- Long-term and organizational relationships
- Flexible market-based development based on strategic analysis

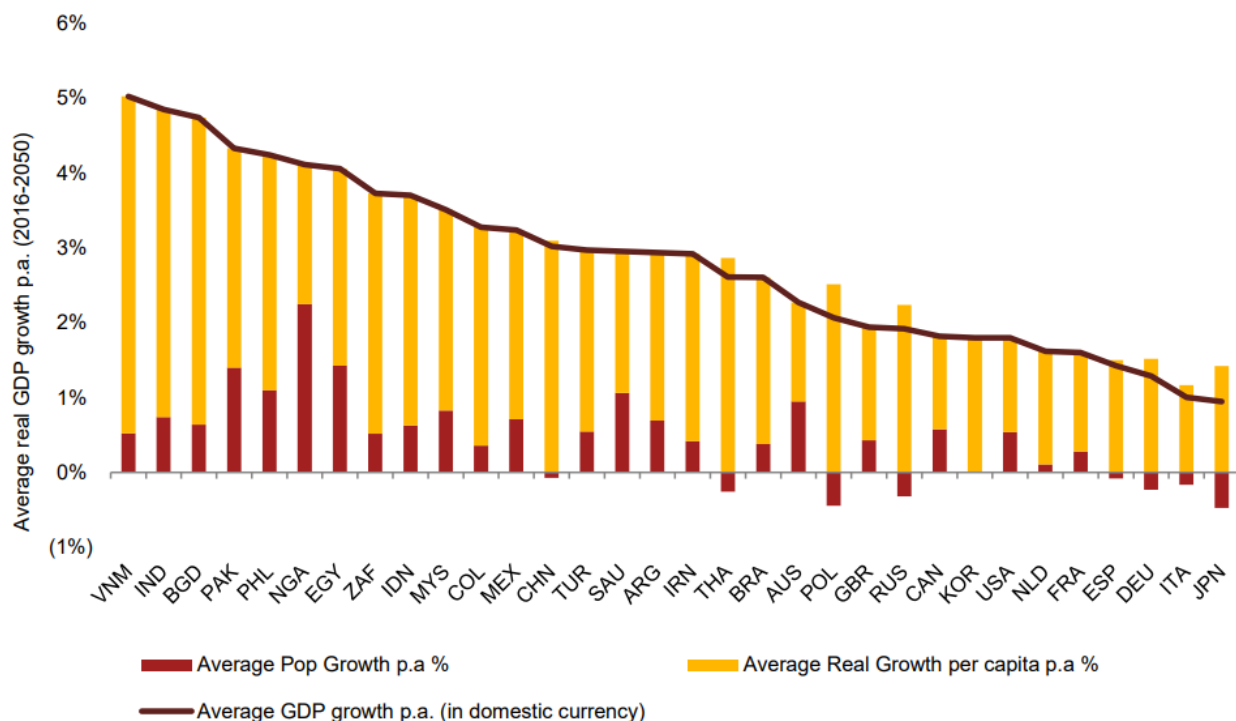


Source: DCED "A summary of innovations and institutional change in donor agencies" (2018)

Background | Market Expansion in Emerging and Developing Countries and Importance as an Innovation Hub

Developing countries, which drive global growth and have various challenges, are becoming increasingly important as hubs for markets, production, innovation, etc.

Forecast of Average Annual Real GDP Growth (2016-2050)



Source: PwC "The World in 2050: How will the global economic order change?" (2017)

Examples of Innovation Born in Developing Countries



◀ M-Pesa (Kenya):
Use your mobile device to send money or You can pay utility bills, tuition, etc. It quickly spread to the unbanked poor.

(Source: JETRO)



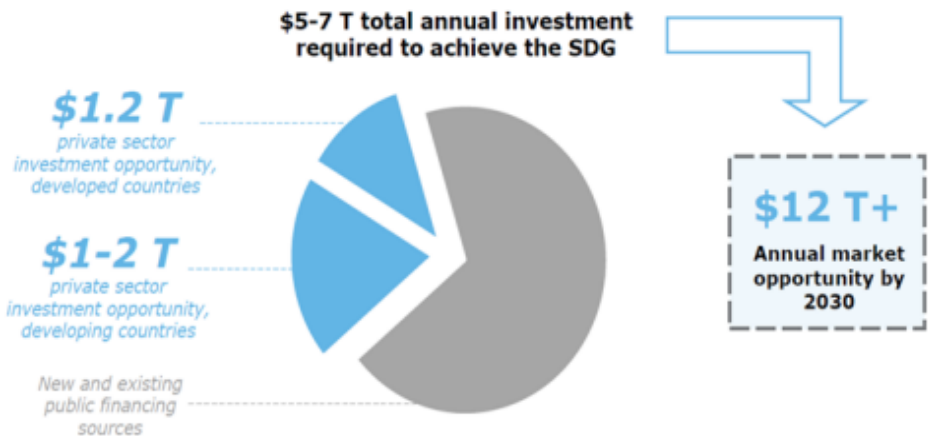
◀ Zipline (Rwanda):
Rapid blood transport by drones has helped reduce infant deaths and malaria-induced anemia, which is common in children.

(Source: Drone News)

Background | Business Impact Orientation

The recognition that contributing to the SDGs is indispensable for business sustainability and profit expansion is also spreading to companies, and an increasing number of companies are incorporating the SDGs into their management, and financial institutions are emphasizing ESG investment and impact investment.

Markets created by the SDGs



Source: UNDP, Ministry of Economy, Trade and Industry "SDGs Management Guide" (2019)

- Achieving the SDGs will require \$5~7 trillion a year worldwide. The investment opportunities are estimated to be \$1~2 trillion in developing countries and at least \$1.2 trillion in developed countries.
- If the SDGs are achieved, through improving the labor productivity and reducing the environmental burden, annually \$12 trillion of new market can emerge till 2030.

Trends in Japanese Firms

Company

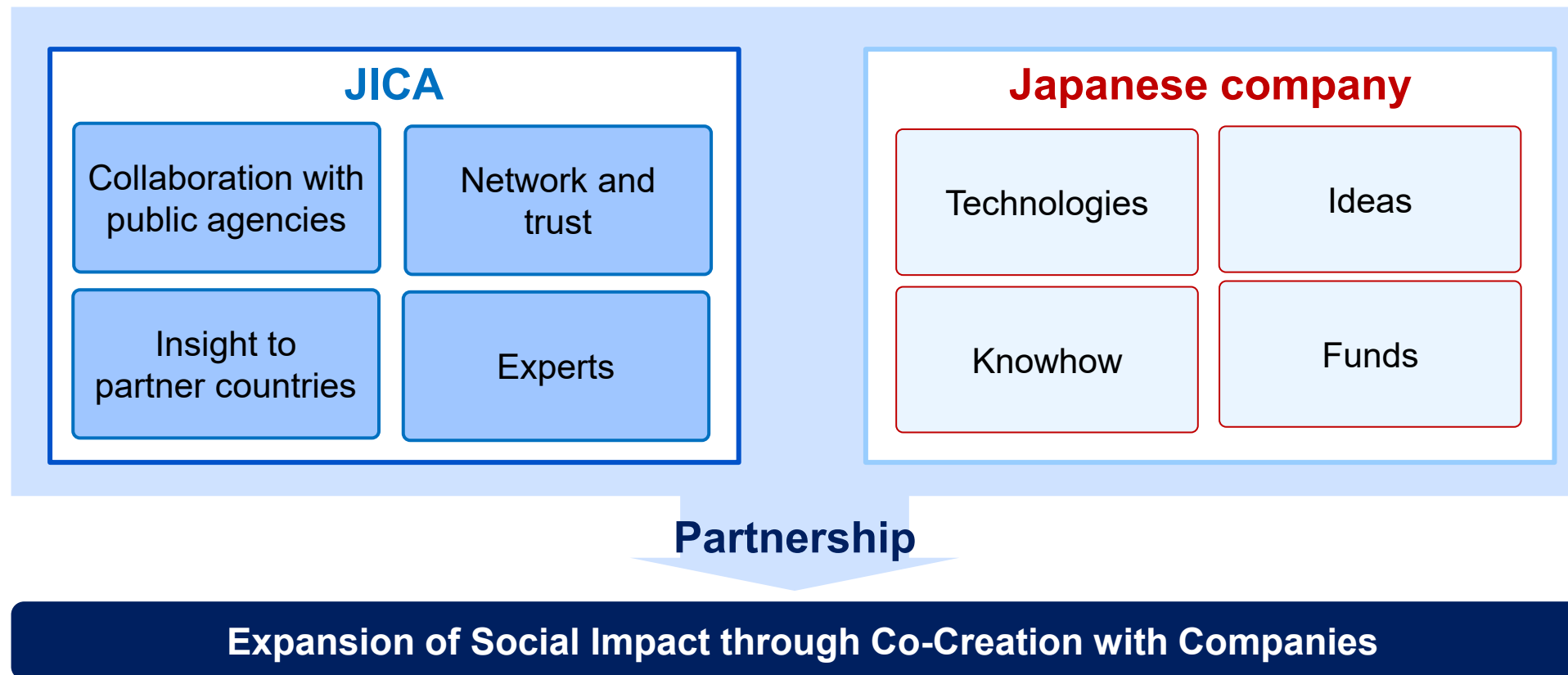
- Japan Business Federation (Keidanren) Clearly Stipulates in its Charter of Corporate Behavior that Companies Will Drive the Realization of SDGs
- 55.1% of large companies and 36.6% of small and medium-sized enterprises answered that they are active in SDGs (Teikoku Databank Survey, 2021)

Financial institution

- 27 Financial Institutions Signed the Japan Impact-driven Financing Initiative, and JICA participated in this Initiative as one of the supporters. (As of February 2022)
- Of the 64 banks belonging to the Japan Regional Bankers Association, 46 banks, or about 70%, have announced their SDGs declarations (Japan Research Institute / September 2020)

Overview of JICA's Partnership with Private Sector

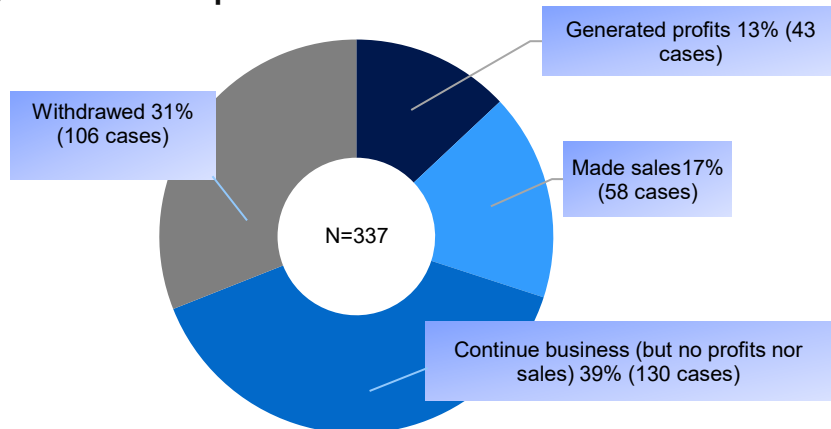
JICA has increased the efforts to enhance the partnership with private companies with co-creation, rather than simply ordering the business that align with JICA's priorities and designs as conventional ODA.



Background | Achievements and challenges

Achievements to date

- In the 12 years since the start of the Program, 1,389 projects (including 1,065 small and medium-sized enterprises) have been adopted (companies in all prefectures have joined the Program).
- Memorandum of Understanding on Business Collaboration and Cooperation with a Total of 56 Regional Financial Institutions Concluded (as of March 2022)
- 70% of companies that have completed the survey are continuing to develop their business



Challenges for the future

- The number of proposals was 173 in the peak fiscal 2019, but due to the impact of the COVID19, the number of proposals decreased to 56 in fiscal 2021.
- Feedbacks from user companies are as follows:
 - ✓ It takes time to conclude a contract with JICA
 - ✓ The burden of settlement procedures is large
 - ✓ More knowledge required for developing business



Adapting to the changes in external environment and addressing challenges above, there is a need to improve JICA's Program

Source: JICA "FY2021 Post-Mortem Monitoring Survey: Analysis Report of Questionnaire Survey Results"

2. Overview of Transitional Reform

Purpose of Reform

1



Improve Convenience

Create an environment where companies can push forward with commercialization through process speed up and simplification

Speeding up contracts: Greatly shortening the period from adoption to the start of contracts and surveys by about one month

Reduction of administrative burden: Elimination of most procedures related to contracts and settlements

Simplification of application: Call for proposals with simpler application documents

2



Drive Commercialization

Support and realization of business establishment and growth, and lead to the resolution of issues in developing countries and the revitalization of Japan regions.

Provision of Appropriate Advisory on Commercialization in Developing Countries

Establishment of a "Corporate Co-Creation Platform" that provides information and knowledge of this Program, promotes networking between companies and collaboration with other organizations, and provides follow-up after the surveys are conducted.

3



Accelerate Development Impact

Strengthening cooperation with JICA's Initiatives in various thematic development issues

Creation of scenarios (logic models) for solving issues in developing countries through business, and support for effective dissemination and publicity of impacts in Japan and overseas

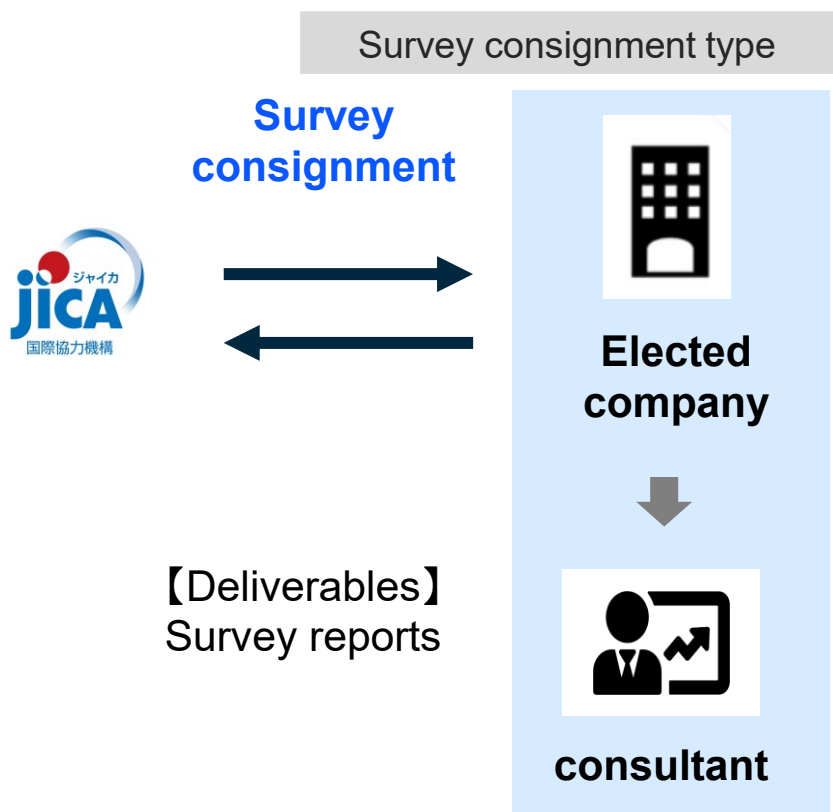
Connecting to new methods (impact investment, sustainable finance, etc.) aimed at social impact and the realization of a decarbonized society

3. Details reformed scheme

Change of Project Implementation Structure

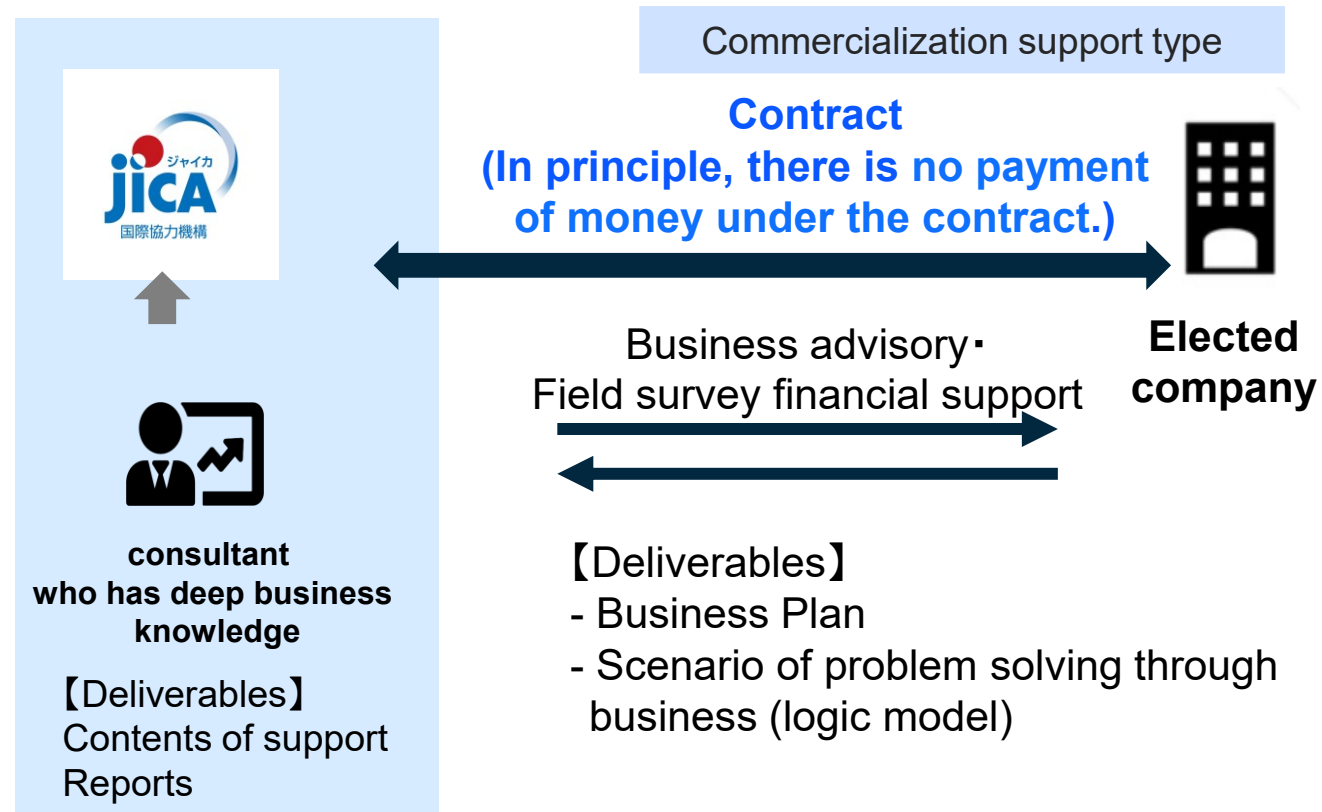
【Before the reform】

JICA commissioned "Survey" to companies,
Companies contract with consultants



【Trial period after reform】

JICA with consultants
Supporting the commercialization of companies



- When tailoring the contract to JICA, it takes time to conclude the contract because a detailed survey plan is required before the contract is signed.
- There are many documents necessary for settlement, and a considerable burden is required.

- Introducing a new type of contract without money transfer, which simplifying procedures related to surveys
- Speeding-up the launch of survey
- JICA and consultants support companies' initiative to conduct surveys

Overview of SDGs Business supporting Survey



NEW Commercialization support type
Survey consignment type



New Needs Confirmation Survey

- Gather basic information and needs in developing countries
- Verify compatibility with products and services
- Develop an initial business plan
- Duration: About 8 months

Up to 10 million yen + consulting service (About 4 person-months)

SMEs and SU

SDGs Business Verification Survey

- Through verification and dissemination activities of technologies, products, and business models, develop a business plan
- Duration: About 1~3 years

Up to 100 million yen / 150 million yen / 200 million yen (Consultant-related expenses included)

SMEs and SU

Up to 50 million yen (Consultant-related expenses included)

Large company

New SDGs Business Validation Survey

- After confirming the customer's acceptability of the product/service, secure local partners, formulate a business model, verify profitability, and develop operations to provide products/services.
- Develop a more sophisticated business plan
- Duration: about 1 year and 4 months

Up to 20 million yen + consulting service (About 8 person-months)

SMEs and SU

Large company

※SU Start Up Company
 ※SME Small and Medium-sized Enterprises

4. Corporate Co-Creation Platform

Corporate Co-Creation Platform

The "Corporate Co-Creation Platform" is a place for private companies, financial institutions, universities and research institutes, local governments, various support organizations, overseas donors, NGOs, and JICA to share information, know-how, and experience and gain opportunities for co-creation and collaboration in order to promote businesses that can contribute to solving the problems of developing countries.

Outline of Activities

- (1) Sharing knowledge and know-how for creating business and development impacts in developing countries
- (2) Provision of networking opportunities such as exchange events between companies utilizing the system
- (3) Provision of support for commercialization, such as matching between companies and brushing up on business ideas

E-mail magazine distribution

We are distributing e-mail magazines (in Japanese), covering the following contents.

Event information, public announcement information, corporate network building, overseas expansion, etc

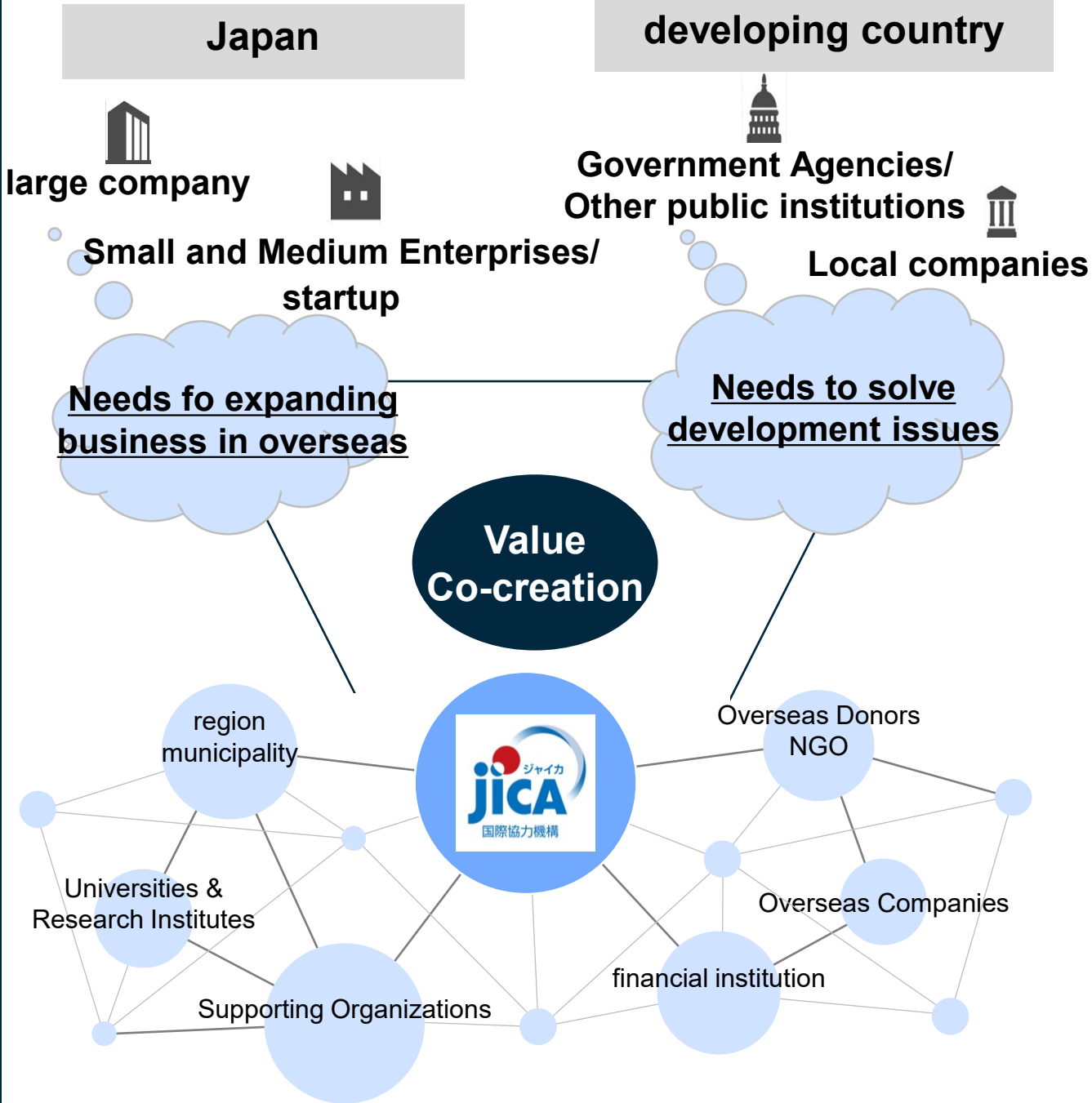
Scan here to subscribe to our e-mail magazine>>>



Corporate Co-Creation Platform

JICA's asset

- Country/Regional Information
 - Knowledge of business in developing countries
 - Post-survey monitoring results
 - Networks inside and outside JICA
-
- Survey outlines
 - Survey results
 - Products & Technologies
 - Development Issues by Field
-
- Knowledge and Network created by the past experiences of supporting over 1,000 companies



5. Merits to use the scheme

Merits to use the scheme

1



JICA's Trust and Network Utilization

Users can conduct surveys with utilizing the trust that JICA has built up with developing countries.

- Users can access wider local partners which private companies can hardly reach.
- JICA can introduce key local partners such as central governments, local governments, industry groups, etc.

2




Professional Business Advisory

Users will get professional advisory from experienced consultants.

- Get professional advisories for commercialization in developing countries
- In support of JICA and consultants, scenario for solving problems in developing countries (Logic model) can be formulated

3













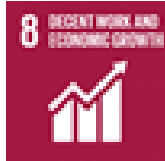



Corporate Recognition Improvement

By disseminating the results with JICA, users will have wider recognition both domestically and internationally.








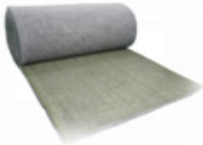

- As a result of the survey, JICA helps dissemination of the realized business development and development impact creation both domestically and internationally.
- It is expected to expand domestic and overseas partners and improve corporate recognition.

6. Survey examples

Examples of Products and Technologies That May Help Address Developmental Challenges

Example	Area	Possible application
   <p>CO₂ emissions monitoring system</p>	Environment and energy	Power generation with renewable energy, composting toilets, rainfall monitoring system, dam management, etc.
  <p>Plastic liquidation unit</p>	Waste treatment	Organic waste treatment, urban waste landfill recovery, medical waste treatment, conversion of plastic waste into fuel, etc.
   <p>Remotely operated excavator</p>	Water purification and treatment	Water quality measuring equipment, water purifiers, filtering units, purification tanks, etc.
   <p>Tools</p>	Vocational training and industrial development	Molding, enhanced product transport, grinders, machine tools, testing and measuring instruments, etc.
   <p>Braille embossing printer</p>	Welfare	Wheelchairs, rehabilitation equipment, nursing equipment, braille mobile terminals, braille printers, etc.

Examples of Products and Technologies That May Help Address Developmental Challenges

Example	Area	Possible application
   <p>Milling machine for long-grain rice</p>	<p>Agriculture</p>	<p>Rice milling machines, greenhouses, irrigation pumps, harvesting and processing machines, etc.</p>
  <p>Total blood bilirubin measuring instrument</p>	<p>Health and medicine</p>	<p>Electronic health records, medical network systems, X-ray diagnosis units, delivery monitoring units, mobile medical devices, etc.</p>
  <p>Science and mathematics learning aids</p>	<p>Education</p>	<p>Voice pens, e-learning systems, science learning aids, scientific experiment kits, etc.</p>
  <p>Multifunctional filter sheets</p>	<p>Disaster preparedness and response</p>	<p>Alarms, provisional lighting, disaster relief equipment, etc.</p>

SDGs Business Verification Survey with the Private Sector for Plastic Rainwater Storage Structure to Prevent Inundation Damage in Thailand

CHICHIBU CHEMICAL Co. Ltd.(Chiyoda-ku, (Tokyo))



Development Needs in the Field of Disaster Prevention and Countermeasures (Issues)

- Because of increasing impervious surfaces due to urbanization, rainwater flows directly into low-land areas and rivers. These cause increasing inundation and flood.
- With the progress of urbanization, the drainage improvement has become necessary for the area which used to be flooded.

Products/Technologies of the Company

- It has functions such as rainwater runoff control during floods, reduction of inundation damage, rainwater utilization, groundwater recharge (infiltration type only) , etc.
- Encapsulate a plastic structure with a sheet to construct a rainwater storage space in the ground.
- Construction by human power is possible
- Strong enough to be installed under the parking lot

Survey Outline

- Survey Duration : May, 2019 ~ May, 2021
- Country/Area : Thailand / Bangkok city
- Name of Counterpart : Industrial Estate Authority of Thailand
- Survey Overview :

In order to contribute to the mitigation of flood damage caused by rainwater that has been increasing with the progress of urbanization, the superiority and usefulness of PRSS is demonstrated, and a technical guideline and a business plan for disseminating PRSS are formulated.



How to Approach to the Development Issues

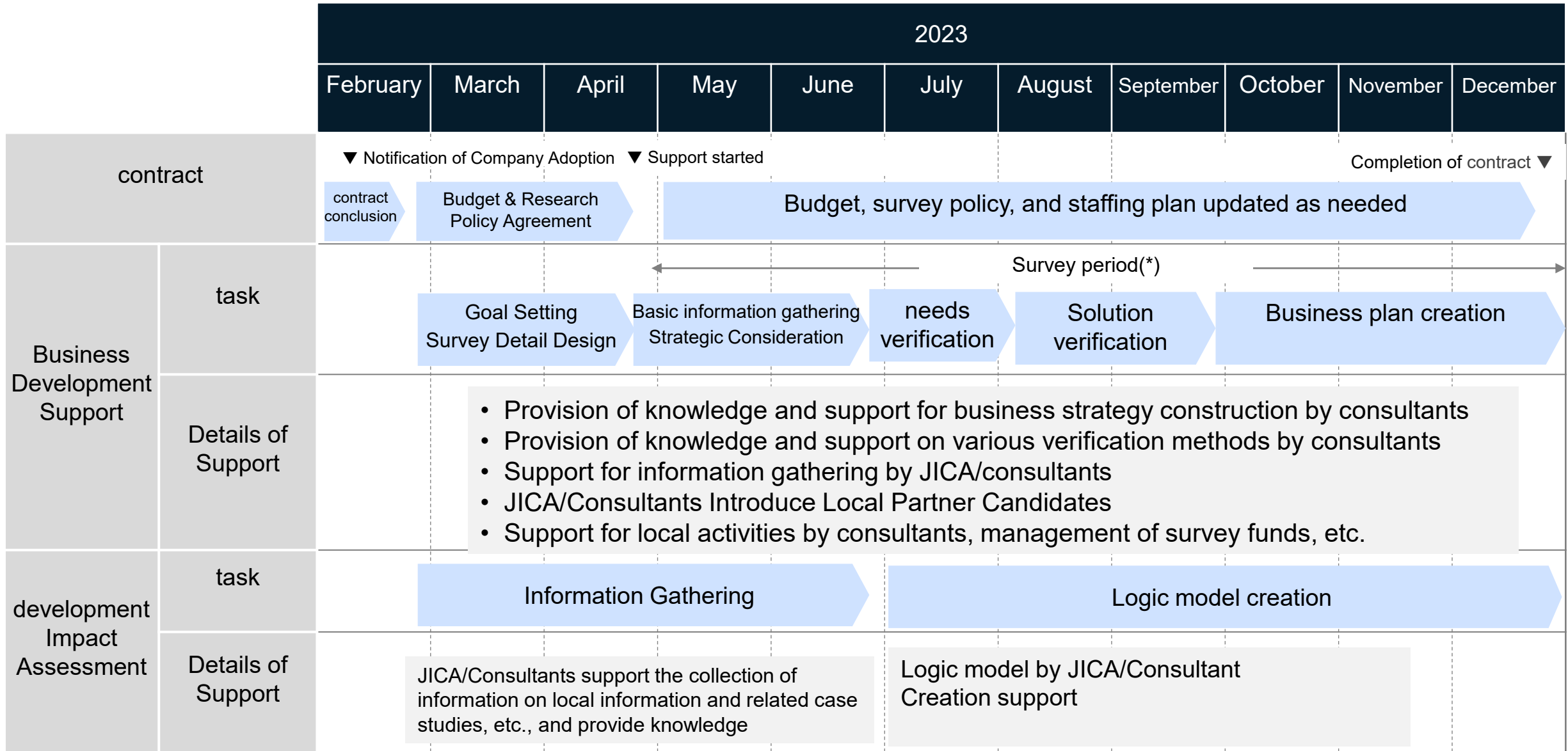
- Target customers / targets are assumed to be public organizations such as the Industrial Estate Authority of Thailand and the Ministry of Natural Resources and Environment, and private enterprises etc. who are suffering from flood damage.
- We aim to increase profits by selling products, providing design support, technical project management and project implementation from a civil engineering and architectural perspective to private companies and public organizations that are clients.

Expected Impact in the Country

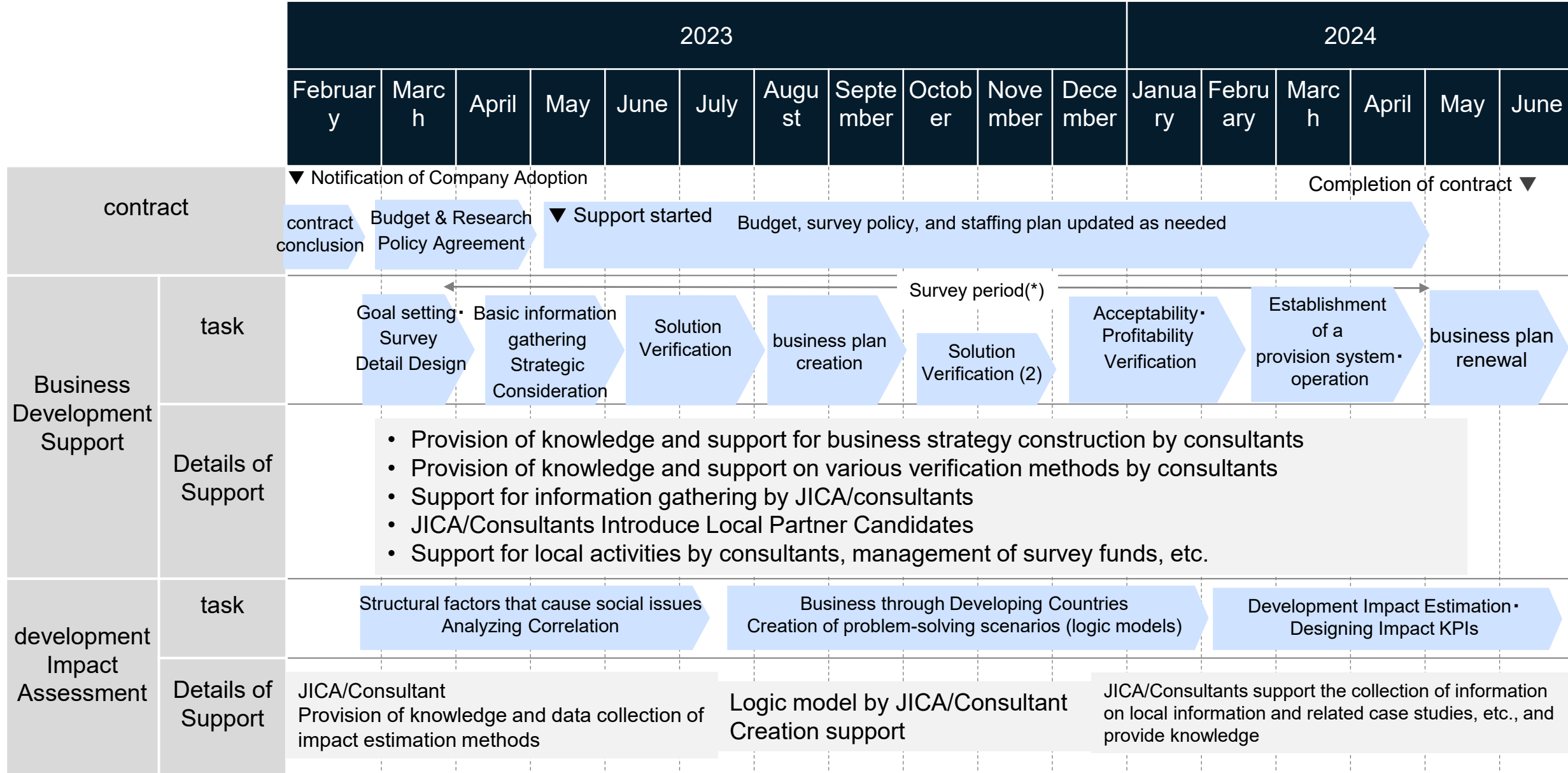
- To reduce flood damage
→By reducing the number of closed roads which are flooded, PRSS might improve traffic congestion and reduce CO₂ emission.
→It might reduce infections caused by contact with contaminated water from flood.
- To reduce load on drain by reducing the amount of rainwater flowing directly into drain
- The technical guidelines on PRSS which specialized in ground characteristics of Thailand are made.

7. Model schedule

Model schedule: Needs Confirmation Survey



Model Schedule: SDGs Business Validation Survey



8. Screening criteria

Screening criteria | Needs confirmation survey

Large items	Middle item	Key points of evaluation
1. Corporate Structure and Policy	<ol style="list-style-type: none"> 1. Positioning of Overseas Expansion in Management Strategy 2. Personnel System (Language Skills and Experience) 3. Financial Base 4. Reasons for Selecting Target Countries 5. Pre-application Preparation 	<ul style="list-style-type: none"> • Is the positioning of the proposed business in management strategy and its relationship with the core business clear? • Are there personnel assigned to handle overseas expansion? Does the chief business officer have experience in overseas business development? Is it possible to present in English? • Does the proposed corporation have a financial base that can expand overseas? • Is the reason for selecting the target country clear?
2. Market Understanding	<ol style="list-style-type: none"> 1. Market size 2. Target Customers 3. Certainty of needs 	<ul style="list-style-type: none"> • Is there a certain market size? • Are the target customers clear / Are the reasons for selection reasonable? • Do you understand the problems your customers are facing?
3. Business Conception and maturity	<ol style="list-style-type: none"> 1. Degree of Alignment of Products/Services with Needs 2. Sales Results 3. Specificity of the business model 4. Risks and Countermeasures 	<ul style="list-style-type: none"> • Can the product/service solve the customer's problem? • Do your products/services have a track record of sales in Japan and overseas (to whom and what value have you provided)*) • Is the flow of money and services clear in the business model? • Are risks recognized and countermeasures being considered?
4. Implementation Plan validity	<ol style="list-style-type: none"> 1. Necessity of using the system 2. Validity of Goal Setting and Verification Plans 	<ul style="list-style-type: none"> • Is the need to use the system clear? Is it clear what kind of support is needed? • Is it clear what state (goal) you want to be at the time of completion of the survey? • Is the hypothesis you want to verify through the survey clear?
5. Challenges to Potential Contributions	<ol style="list-style-type: none"> 1. Degree of Conformity with SDGs 2. Benefits to the benefit 3. Consideration for Diversity 	<ul style="list-style-type: none"> • Can the proposed business contribute to the achievement of the SDGs? • What kind of benefits do you aim to bring to what kind of benefit do you aim to bring? • Will it contribute to gender equality and inclusion of people with disabilities, the elderly, etc.?

If the applicant falls under the category of a startup (SU) and the product/service in question has no sales record but has sales performance of the main elemental technology, it is assumed that the actual results will be considered to a certain extent

Screening criteria | Business Validation Survey

Blue letters: Viewpoint not set in the needs confirmation survey, but only sought in the commercialization demonstration project

Large items	Middle Item	Key points of evaluation
1. Corporate Structure and Policy	<ol style="list-style-type: none"> 1. Positioning of Overseas Expansion in Management Strategy 2. Personnel System (Language Skills and Experience) 3. Financial Base 4. Reasons for Selecting Target Countries 5. Pre-application Preparation 	<ul style="list-style-type: none"> • Is the positioning of the proposed business in management strategy and its relationship with the core business clear? • Are there personnel assigned to handle overseas expansion? Does the chief business officer have experience in overseas business development? Is it possible to present in English? • Does the proposed corporation have a financial base that can expand overseas? • Is the reason for selecting the target country clear? • <i>Is a field survey conducted prior to application?</i>
2. Market Understanding	<ol style="list-style-type: none"> 1. Market size 2. Target Customers 3. Certainty of needs 	<ul style="list-style-type: none"> • Is there a certain market size? • Are the target customers clear / Are the reasons for selection reasonable? • Do you understand the problems your customers are facing? • <i>Are you getting initial feedback on your product/service from customers?</i>
3. Business Conception and maturity	<ol style="list-style-type: none"> 1. Degree of Alignment of Products/Services with Needs 2. Sales Results 3. Specificity of the business model 4. Risks and Countermeasures 5. Local Partners 	<ul style="list-style-type: none"> • Can the product/service solve the customer's problem? • Do your products/services have a track record of sales in Japan and overseas (to whom and what value have you provided)*) • Is the flow of money and services clear from the business model, and is the pricing reasonable? • Are risks recognized and countermeasures being considered? • <i>Have you decided on a local partner company?</i>
4. Implementation Plan validity	<ol style="list-style-type: none"> 1. Necessity of using the system 2. Validity of Goal Setting and Verification Plans 	<ul style="list-style-type: none"> • Is the need to use the system clear? Is it clear what kind of support is needed? • Is it clear what state (goal) you want to be at the time of completion of the survey? • Is the hypothesis you want to verify through the survey clear? • <i>Is the demonstration plan concrete? Have you received cooperation from your local counterparts regarding demonstration activities?</i>
5. Challenges to Potential Contributions	<ol style="list-style-type: none"> 1. Degree of Conformity with SDGs 2. Benefits to the benefit 3. Consideration for Diversity 	<ul style="list-style-type: none"> • Can the proposed business contribute to the achievement of the SDGs? • What kind of benefits do you aim to bring to what kind of benefit do you aim to bring? • Will it contribute to gender equality and inclusion of people with disabilities, the elderly, etc.?

9. Application and screening schedule

Eligible Countries, Target Fields, and Application Schedule

■ Eligible Countries

In principle, ODA target countries where JICA's overseas bases (overseas offices and branch offices) are located

■ Target Fields

No special restrictions

■ Application and Screening Schedule (in case of FY2022)



Photo courtesy of Kenshiro Imamura/JICA



■ (*1) We strongly recommend applying companies to consult with JICA domestic offices about the planned details of your application before the start of this public notice.

■ An advance announcement will be made on the JICA website regarding the public notice.

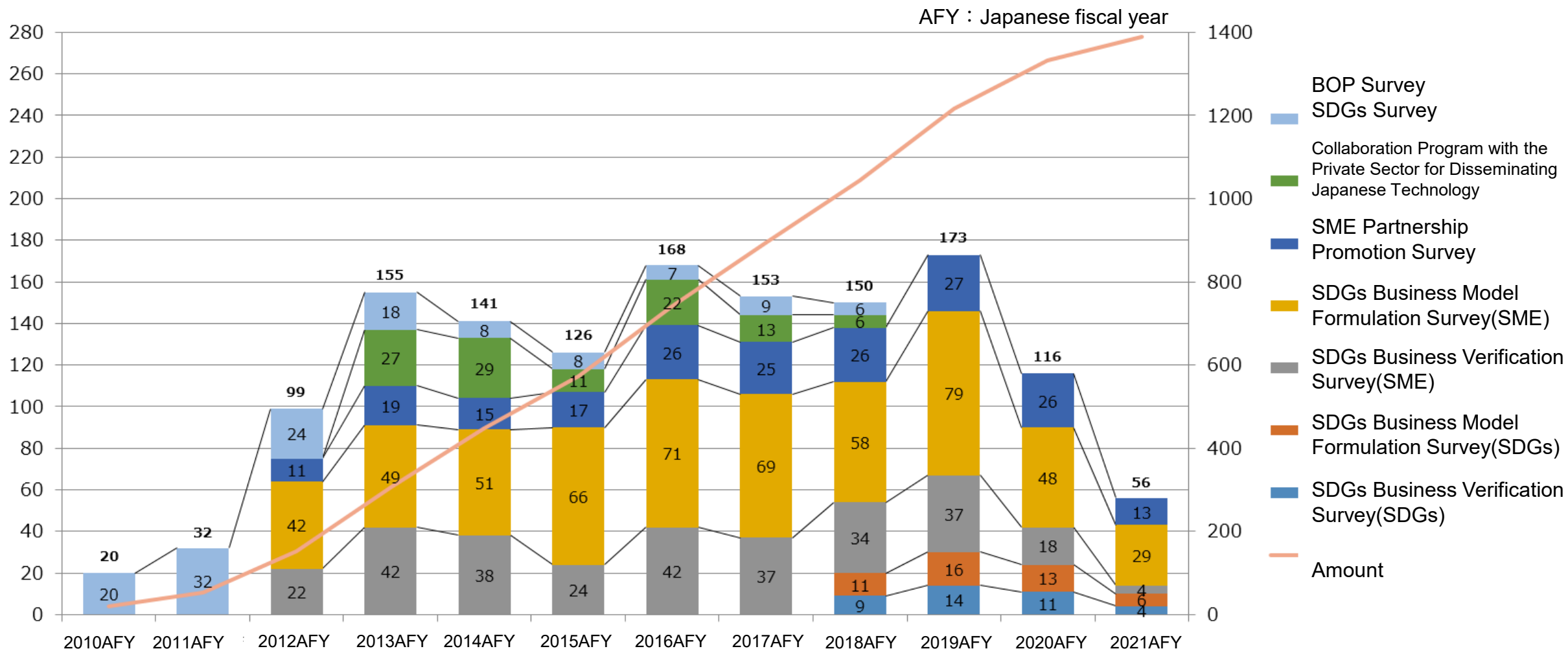
■ The same application and screening schedule above is applied with SDGs business verification survey as well, while it may take longer time to start the survey of this scheme after contract negotiations and the relevant coordination including minutes conclusion with partner countries (if necessary).

Thank you

Reference

Adoption results (until the second public notice in 2021)

- Cumulative number of entries: 1,389 (counted from the BOP survey in fiscal 2010)
- Of these, 1,065 were SMEs support type.



Selected results (support for SMEs throughout the country)

