



Implementation System: Cooperation Modality

# Public-Private Partnerships

New Partnerships That Lead Economic Growth

Public-Private Partnership Project for Human Resource Development (South Africa)

In recent years, 70% of the flow of funds from developed countries to developing countries has come from private funds. For private sector businesses in developing countries to generate such development benefits as employment creation, human resource development and improvement of technical capabilities, private-sector activities are vitally important in order to achieve economic growth and sustainable social development. Moreover, the role of the private sector is also crucial in solving such serious global problems as poverty reduction, the environment, climate change, food supply and resources. The Fourth Tokyo International Conference on African Development (TICAD IV), held in May 2008, called attention to the importance of expanding trade and private investment in Africa.

In the wake of the escalating global financial crises in 2008, there is an increasing need for ODA to function as a catalyst to attract and mobilize private funds through assistance aimed at developing the business environment, sharing the risks of development projects and building the capacity of developing countries.

## Partnerships with Private-Sector Activities in Developing Countries

JICA's efforts that promote public-private partnerships (PPPs) are focused primarily on, as previously mentioned, cooperation aimed at improving the business environment in developing countries and the support infrastructure development and improvement of public services through PPPs in which government and the private sector share responsibilities. As a growing awareness of corporate social responsibility (CSR), an increasing number of Japanese companies are implementing social contribution programs and establishing BOP businesses\* in developing countries, which call for new partnerships between ODA projects and private sector activities.

\* BOP (Base of Pyramid) business: Businesses that target the world's 4 billion people living in poverty as consumers, employees and producers.

## Activities in Fiscal 2008

### Establishment of the Office for Private Sector Partnership and Institution of Basic Policy

In October 2008, JICA established the Office for Private Sector Partnership, which in order to strengthen partnerships with private corporations, consults with the private sector and seeks to understand its needs.

Since the launch of the Office for Private Sector Partnership, many inquiries and proposals from the private sector concerning potential PPP projects have been received. JICA has also instituted and announced a basic policy on private sector partnerships based on the Japanese government's policies for promoting such partnerships. At the same time, we have externally disseminated these policies and good practices through our website and at various opportunities.

Main partnership pattern	Explanation	Example
(1) Improvement of Business Environment	Support for infrastructure development, improvement of investment-related policies, development of human resources for industries, etc.	Visakhapatnam Port Expansion Project in India (2007): Support for the development of a shipping port for iron ore produced from large mines and exported to Japan and other countries Support of economic policies in Cambodia (2005-2006): Development of investment-related policies and analysis and recommendations for potential industries
(2) Promoting Private Participation in Infrastructure	Support for PPP infrastructure development	Bujagali Interconnection Project in Uganda (2007): Support for the development of a transmission system to link the Bujagali Hydropower station to the country's existing transmission network
(3) Collaboration with CSR and BOP Businesses	Partnerships with private enterprises' CSR activities and BOP businesses	Support for Shea Butter Production in Ghana (2000-2007): Products, such as Shea Butter Soap for which JICA provided manufacturing technical support through Japan Overseas Cooperation Volunteers (JOCVs), are imported and sold by a private company with the cooperation of the Japan External Trade Organization (JETRO)

### Partnership Promotion

▶ Prior to the FIFA Confederations Cup held in June 2009, JICA had examined the possibility of a collaboration project between the CSR program of Sony Corporation and the project for HIV/AIDS Prevention through Education in Ghana, which was implemented by JICA. (The showing of soccer matches using projectors provided by Sony Corporation, an

official FIFA partner, during various educational events of this project in regions where TV penetration rates are low. At the event, participants attend HIV/AIDS educational programs and receive medical examinations.)

▶ Activities in Japan included the matching of private enterprises with the activities of NGOs by our domestic office and the sponsoring of the public seminar “Cross-Border Trans-

port Infrastructure in Sub-Saharan Africa and Public-Private Partnerships” and the public symposium “Toward Nature Conservation in Developing Countries—A New Era for JICA and Business.”

▶ In a new effort, JICA and the Japan External Trade Organization (JETRO) held a series of study seminars on partnerships with BOP businesses by inviting knowledgeable persons.

#### Basic Principles for Public-Private Partnerships

Through the strengthening of partnerships with the private corporations and private businesses and supporting improvement of the business environment in developing countries, JICA seeks win-win-win relationships for developing countries, private enterprises and ODA. To achieve that, JICA is undertaking the following measures:

1. Mainstreaming of the PPP perspective in each operation and project.
2. Stronger interactive communication with the private sector to capture its needs.
3. Developing the internal and external platforms to enhance the partnerships.
4. Promoting realization of JICA-assisted projects actually collaborating with private corporations.
5. Cooperating in public relations.

#### Example

### Viet Nam Cai Mep–Thi Vai International Port Construction Project

#### Provided Technical Assistance for Transferring ODA-funded Port Facility Management Rights to the Private Sector

The Cai Mep–Thi Vai International Port Construction Project (authorized in March 2005 at a cost of

¥36.4 billion) in Viet Nam, to which JICA has provided an ODA loan, is planning to have the completed port facilities managed by the private sector. As a result, JICA has implemented the Project on the Improvement of the Port Management System in Viet Nam (a Technical Cooperation project carried out from 2005 to 2008) and transferred the technology needed for the transfer of management rights to the Viet Nam Maritime Administration (VINAMARINE). Selection of consultants who will be responsible for operator selection is

currently underway. Moreover, private companies are also expected to invest commercially in port development near the project.

#### Example

### Saudi Arabia Automobile High Institute Project

#### Assisted in the Development of a Training System for Automobile Mechanics

In 2002, in partnership with Japan Automobile Manufacturers Association, Inc. (JAMA), the governments of both Japan and Saudi Arabia established the Saudi-Japanese Automobile High Institute (SJAHI). In addition to providing necessary

materials and equipment for the Institute, JICA assisted in the improvement of a training system for automobile mechanics by dispatching experts and accepting trainees. JAMA invested 50% of incorporation expenses and provided its training expertise and instruction materials. The project has worked to develop the human resources industry and business needs. At the same time, and in an effort to maintain cooperative relations between both countries, the Institute holds great hope as a place to study Japanese technology and a proper work attitude.



Saudi-Japanese Automobile High Institute (SJAHI)