

Public-Private Partnerships

New Partnership Supporting Economic Growth

It is difficult to meet the capital demands for social and infrastructure development in developing countries with their governments' limited budgets and ODA support. In fact, the private sector accounts for a large proportion of the financial flows to developing countries. The Sustainable Development Goals (SDGs) that were adopted in September 2015 also attach importance to partnership with private companies for overcoming challenges.

These efforts have contributed to creating employment opportunities, human resources development, and improving technologies. In addition, high expectation among developing countries is placed on the outstanding technologies, know-how, and business ideas of private sector.

JICA provides wide-ranging support schemes to produce better developmental results efficiently and effectively through further collaboration between the activities of the private sector.

● Private-Sector Investment Finance

Economic and Social Development Support in Developing Countries through Partnership with the Private Sector

Of the Finance and Investment Cooperation assistance provided by JICA, Private-Sector Investment Finance (PSIF) is a scheme to support private enterprises that conduct business with positive impacts in certain fields, including infrastructure improvement, poverty reduction, and measures against climate change, through the provision of loans and equity. Furthermore, by introducing technologies and know-how of private companies and by coordinating the collaboration with private financial institutions and international financial institutions, JICA makes efforts to reduce various risks associated with projects and to further increase development outcomes through coordination with JICA's technical cooperation, other international organizations, etc.

In fiscal 2016, JICA made a decision on equity participation in IFC Middle East and North Africa Fund, LP managed by IFC Asset Management Company, which is a 100% subsidiary of the International Finance Corporation (IFC); the Japan ASEAN Women Empowerment Fund (JAWEF), supporting microfinancing institutions contributing to empowering women; and a business engaged in an LED lantern rental service in Sub-Saharan Africa.

JICA also signed agreements for the Tsetsii Wind Farm Project in Mongolia with co-financing with the European Bank for Reconstruction and Development (EBRD) [[➔ see the Case Study on page 83](#)]; and for the high-efficiency natural-gas power generation project in Sirajganj, Bangladesh, with co-financing with the IFC, both as the first co-financing schemes with international financing institutions.

● Preparatory Survey for PPP Infrastructure Projects Public-Private Partnerships to Address Infrastructure Projects in Developing Countries

In recent years, there has been a growing trend in developing

countries toward incorporating the expertise of the private sector into infrastructure projects. Based on a proper demarcation of roles and risks between the public and private sectors, public-private partnerships are implemented in order to engender greater benefits and efficiency in these projects.

This scheme is designed to formulate favorable PPP infrastructure projects at the upstream stage, based on the cooperation between the public and private sectors. JICA entrusts the necessary surveys to private Japanese companies that have submitted promising proposals so as to develop project plans.

However, there are many challenges related to PPP infrastructure projects in developing countries. These challenges include difficulties in securing project viability, insufficient recognition of proper public-private role-sharing and risk allocation due to insufficient support from developing country governments, and completion risk due to factors such as delays in construction of related facilities. Therefore, not only supporting individual projects, JICA is also promoting comprehensive efforts for the establishment of projects by providing support to developing countries for enlightenment on the PPP system, assisting establishment of appropriate PPP policies and institutions, and strengthening implementation capacities.

● Feasibility Survey for SDGs Business

Turning SDGs into Business Opportunities

In achieving the SDGs, collaboration among every stakeholder has become even more important, and the contribution of private-sector firms is even more strongly expected in order to eradicate poverty and enable sustainable development. In support of a feasibility survey of businesses that could contribute to overcoming challenges faced by the people at the base of the pyramid (BOP), JICA initiated the Preparatory Surveys for the BOP Business Promotion program in 2010 and has adopted a total of 114 proposals up to now. In February 2017, the program changed to the Feasibility Survey for SDGs Business in order to accelerate public-private partnerships for the achievement of more comprehensive SDGs, not limited to the BOP. It is intended to accelerate efforts for public-private cooperation leveraging the knowledge and information accumulated under the previous program.

● Collaboration Program with the Private Sector for Disseminating Japanese Technology

Boosting the Dissemination of "Japanese Model" Technology that Contributes to the Growth of Developing Countries

The dissemination of "Japanese Model" technology with advanced high competitiveness and solution for technological issues in developing countries are regarded as priority issues. As an effort to address these issues, JICA initiated "Collaboration Program with the Private Sector for Disseminating Japanese

Technology for the Social and Economic Development of Developing Countries” in fiscal 2013. This program aims to facilitate the understanding of excellent products, technologies, and systems of Japanese companies as well as to consider the possibility of applying them in developing countries. In this program, training sessions in Japan or in counterpart countries will be provided primarily for government officials from developing countries.

In fiscal 2016, six out of the total of 22 proposals adopted were for African countries, since Africa was recommended as the

prioritized region on the occasion of the Sixth Tokyo International Conference on African Development (TICAD VI). JICA intends to contribute to overcoming challenges in developing countries by fully utilizing Japan’s excellent technologies, ideas, and know-how, including pioneering innovative technologies such as distribution operations using unmanned aerial vehicles (UVA) as well as collaboration with a local government, positioned as a base for the promotion of waste electrical and electronic equipment (E-waste) recycling system [→ see the Case Study below].

Case Study

Mongolia: Tsetsii Wind Farm Project



Clean Energy Being Introduced with the Help of Overseas Investment

In September 2016, JICA signed financing agreements for the Tsetsii Wind Farm project in Mongolia with Clean Energy Asia LLC, which is a joint venture formed by SB Energy Corporation in the SoftBank Group and Newcom LLC of Mongolia. It marks JICA’s first overseas project in finance debt transaction in the renewable energy field.

Mongolia faces great challenges in meeting its growing demand for electricity as a result of its rapid economic growth. Also, as a country under the serious impact of climate change, the government has been actively promoting the introduction of clean energy. This project will involve electric power development by harnessing the rich wind resources of the Gobi region, aiming to contribute to sustainable economic development and mitigation of climate change in Mongolia. The project is consistent with the Partnership for Quality Infrastructure, being promoted by the Japanese government with due consideration of the overall facility’s life-cycle costs, as well as environmental and social sustainability.

As an exemplary project that can be extended to other countries, this project received an award in the IJGlobal Awards 2016 commendation program, organized by the internationally renowned project-finance magazine *IJGlobal* to honor excellent financing projects in the energy and infrastructure fields. The Tsetsii Wind Farm Project was recognized in the wind power development project division in the Asia Pacific region.



Rendering of the Tsetsii Wind Farm (Photo courtesy Clean Energy Asia LLC)

Case Study

Morocco: Promotion of Structural Inspection Using Special High-Place Work Technologies



Contributing to Infrastructure Maintenance and Management with Ninja-tech from Japan

This program involves two of Japan’s companies—Hanshin Expressway Co. Ltd. and Tokusyu Kousyo Gijutsu Inc.—in the promotion of special high-place work technology called Ninja-tech, and transfer of the related technology to the Société Nationale des Autoroutes du Maroc (ADM) in Morocco. Ninja-tech is used to examine and inspect structures only with ropes and specially designed tools without using scaffolding or high-lift work vehicles.

Morocco will have its planned nationwide expressway network almost completed within a few years. Along with the gradual shift from the construction period to the maintenance phase, it has become urgently required that efficient and effective maintenance and management systems are investigated and introduced. In these circumstances, the program aims to become a long-continuing business for infrastructure maintenance and management by addressing the challenges that Morocco will soon face, and by disseminating Japan’s advanced technologies in this field as well as developing local human resources. Specifically, ADM personnel were trained in study sessions and hands-on practice held in Japan concerning infrastructure maintenance and management and high-place operations.

It is strongly expected that the two companies and JICA will contribute to the sustainable social and economic development of Morocco through this program, as well as to infrastructure maintenance and management throughout Africa, by extending the technologies concerned outside Morocco.



ADM personnel training held at a bridge in Morocco

Activity Report

Activities and Initiatives by Region

Activities and Initiatives by Issue

Other Activities and Initiatives