Partnership with Japanese Private Sector

Support for Japanese Small and Medium Enterprises (SMEs) Overseas Business Development

Japanese government revised the Framework for Supporting Japanese SMEs in Overseas Business in March 2012 where JICA became a member of the all-Japan support system for overseas business development of SMEs. Since then, JICA initiated programs for supporting overseas expansion of SMEs, and has supported those companies with ODA for the past three years. In these programs, as of March 2015 JICA had received an aggregated total of 1,300 proposals from SMEs and selected 270 of them. In the Development Cooperation Charter approved by Japan's Cabinet in February 2015, activities by the Japanese private sector, including SMEs, are considered one of the major driving forces to promote the economic growth of developing countries. With the understanding that ODA is expected to play the catalytic role in tackling various challenges in developing countries and in accelerating business activities of private sectors, JICA continues its cooperation with SMEs.

JICA's Overall Support for Japanese SMEs Overseas Business Development

Along with the transfer of responsibility to study the feasibility of proposed projects from the Ministry of Foreign Affairs to JICA in fiscal 2014, JICA revised its organizational structure, such as establishing a one stop contact point at JICA for communication with SMEs regarding proposal-based programs, and accepting multi-fiscal-year projects. Furthermore, to expand further opportunities, JICA started accepting proposals from small business associations such as business cooperatives, small business cooperatives, enterprise cooperatives, cooperative partnerships, and commercial associations. At the same time, JICA also proactively selected proposals that would contribute to the revitalization of local communities in the supplementary budget for fiscal 2014.

Support structures for SMEs' overseas development have been strengthened at JICA's 15 domestic offices. Approximately 1,300 meetings with 2,200 companies were held, and more than 100 seminars for over 6,400 participants were held across the nation during the year.

More effective use of overseas offices has also been considered, and JICA will actively provide such information as the needs from developing countries.

Promotion Survey and Project Feasibility Survey

In fiscal 2014, JICA made two advertisements for SME Partnership Promotion Survey (called the Promotion Surveys) and Project Feasibility Survey. In a Promotion Survey, basic information is collected and an overseas business plan is drafted in order to examine the possibility of solving development problems through a Japanese company's overseas business development, and the possibility for the company to collaborate in related ODA projects. In fiscal 2014, there were 19 surveys selected out of 122 proposals. In a Project Feasibility Study, the feasibility of using the company's products and technologies for overcoming challenges in a developing country is analyzed, while information is gathered and a network with the counterpart government agency is built, all of which are necessary to conduct an overseas development program. There were 51 surveys selected out of 305 proposals [➡ see the Case Study below].

The number of cases increased in fiscal 2014, when private companies' products and technologies were used in ODA projects as a result of the Surveys. The number included 10 cases of collaboration with technical cooperation projects, 9 cases that contributed to usage in Grant Aid and ODA Loan projects

Case Study **Bangladesh: Project Feasibility Survey for the Use of an E-Learning System, Compatible with a Poor Communication Environment, for the Course of the Information Technology Engineers Examination (ITEE)**

Making Use of a Japanese E-Learning System to Realize a Digital Bangladesh

An SME from Miyazaki City in Miyazaki Prefecture conducted a Feasibility Survey in Dhaka, the capital of Bangladesh, for the e-learning materials used for preparing for the Information Technology Engineers Examination (ITEE).

Supporting a National Examination for IT Engineers Developed in Japan with Training Materials also Developed in Japan

As part of the initiatives under the banner Digital Bangladesh, aiming at making effective use of IT, the country is currently working on developing IT engineers, including IT programmers. To respond to this, JICA, in cooperation with the Information-technology Promotion Agency, Japan (IPA), is running a technical cooperation project to assist in the implementation of a national examination to measure the levels of IT engineers' expertise (ITEE).

A proposed product for this Feasibility Study is an e-learning system developed by Kyouiku Jouhou Service. The system computerizes conventional text and enables additional explanation by voice and manual drawings. Implementation of this system is expected to support effective learning in preparation for the ITEE, and a consequent increase in the numbers of examinees and successful candidates.

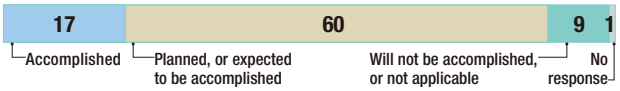
During the survey, students of local universities actually used the e-learning system, and the effectiveness of the system was identified through an increase in simulated test scores and feedback from students after the trials.

Explaining to counterparts how to use the system

Upon completion of the study, JICA plans to implement the system, with further adjustments, in Bangladesh, and would like to contribute the development of IT engineers by providing learning opportunities using the e-learning system to a larger number of ITEE examinees.

(Unit: cases)

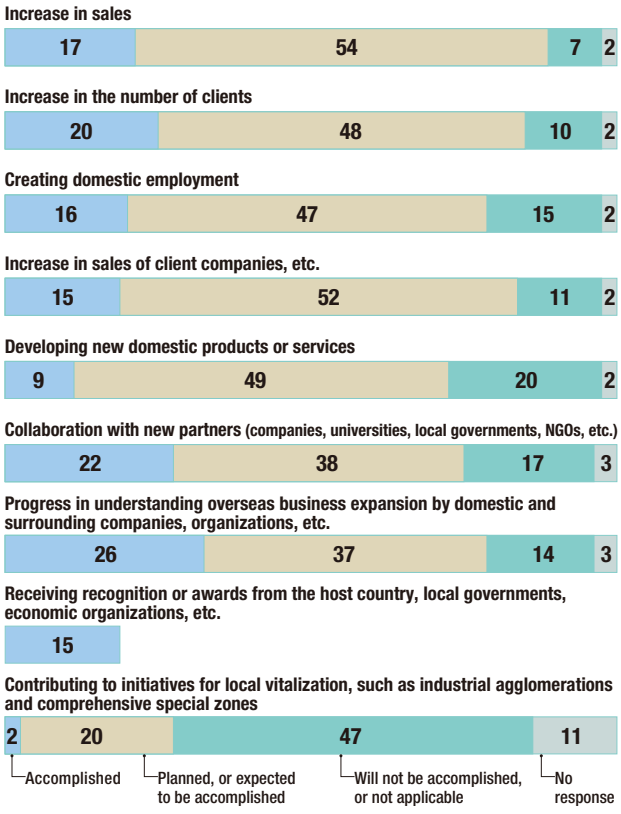
Current Status of Business Expansion in Target Countries (n=87)



Source: Results of the Follow-up Survey of Partnership with the Japanese Small and Medium-Sized Enterprises (SMEs) conducted by JICA in fiscal 2015

(Unit: companies)

Contribution to Domestic and Local Economies in Japan (n=80)



Source: Results of the Follow-up Survey of Partnership with the Japanese Small and Medium-Sized Enterprises (SMEs) conducted by JICA in fiscal 2015

or development of new projects, and 6 cases that led to JICA Partnership Programs, Private Company Partnership in JOCV, etc. Some examples are a private company that considered implementation of solid fuel manufacturing equipment that uses chaff as a raw material in Tanzania, conducting lectures at a JICA's training course in Japan, and a manufacturer of power-generating floors introducing its products to 11 trainees from Latin American and African countries at the International Training Course in Sustainable Urban Management Practices, a Third-Country Training Program held in Brazil.

Verification Survey with the Private Sector for Disseminating Japanese Technologies

The surveys are intended to verify the compatibility of Japanese SMEs' products and technologies to various socio-economic conditions in developing countries, and possible dissemination of these technologies and products. JICA initiated the surveys under fiscal 2012 supplementary budget, and 88 surveys have been started as of March 2015.

In many developing countries, urbanization is one of the development challenges, and JICA is extending its cooperation in this area. For example, the products and technologies include traffic-congestion mitigating IT system, underground tunneling excavation machine for sewerage construction, and inspection techniques for bridges and concrete buildings for their life prolongation. These surveys lead these SMEs to open-up new business opportunities such as establishing overseas offices and securing orders from governments of developing countries. Many SMEs are currently involved in verification surveys in various fields, such as energy, health care and education [➡ see the Case Study below].

Case Study **Indonesia: A Pilot Survey for Disseminating SME's Technologies for Recycling, Processing, and Composting of Waste in Surabaya**

Producing Compost from Organic Waste and Creating Employment

A company which provides collection and intermediate treatment of waste in the city of Kitakyushu tackles a waste problem in Indonesia, by utilizing their business expertise gained in Japan.

Toward Nationwide Dissemination in Indonesia

In Indonesia, increasing waste amount along with the growth of the population and economy is causing deterioration of the environment. By volume, 70% of the total generation amount, consisting mainly of garbage, is organic waste and its reduction and proper management are a priority issue.

Nishihara Corporation provides waste management services such as collection and treatment in Kitakyushu City. Because of this specialty, the company was entrusted by the Ministry of Foreign Affairs of Japan and built a waste sorting plant in Surabaya City under the agreement of "Green Sister City" with Kitakyushu City. The facility employs the people who had been called as waste pickers: individuals who get their daily bread by sorting valuable materials from waste and sell for reuse and recycle.

As the next step, Nishihara concluded a contract with JICA under its support for SMEs and started producing compost from organic waste. Their goal is to stably produce high-quality compost and commercialize organic composting in Indonesia so that they have been repeatedly doing trial production to improve the quality of the compost. Development of the composting business will contribute to further employment creation.

They will propose a model for sustainable waste management as an outcome of this survey. Thus, Nishihara aims at getting a contract to provide its waste management with local governments in Indonesia and disseminating nationwide the model.

Producing compost from organic waste after segregation together with local human resources