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.

- **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].

**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 UGlobal Awards 2016 commendation program, organized by the internationally renowned project-finance magazine UGlobal 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.

**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 Kougyo 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.