

1. Background

Infrastructure System Overseas Promotion Strategy 2025
(Decided in December 2020, revised annually thereafter)

- ◆ In 2025, Japanese companies aim to receive orders for infrastructure systems worth approx. 34 trillion yen.

2. Action Related to Promoting Infrastructure System Exports

(1) Providing support through grant aid, technical cooperation and loan

(1) grant aid project led to infrastructure exports through ODA

[Example 1] <Palau> Grant aid for “the Project for Improvement of Terminal Building at Palau International Airport” → Expansion and management through Private-Sector Investment Finance (PSIF)

*In 2001, the terminal was renovated through grant assistance and the project completed in 2003. After the preparatory study by means of PSIF F/S from 2015, the expansion and management of the same terminal has been assisted through Private-Sector Investment Finance PSIF in cooperation with Japanese companies.

- Seamless support for Palau’s only one international airport from renovation to expansion and management



“the Project for Improvement of Terminal Building at Palau International Airport” (FY2001)
(Maximum aid: 1.6 billion yen)

“Renovation, Expansion and Management of Palau International Airport Project” (FY2019)

Strengthen connectivity in Pacific islands, and promote entry by Japanese companies (suppliers/users)

(2) Creating a conducive environment for entry by companies, by developing human resources, supporting the development of legal systems, etc.

[Examples]

- Developing human resources to operate and oversee Japanese-style infrastructure systems
- Training corporate and technical personnel for when Japanese companies enter the markets
- Supporting the development of the legal systems, such as the customs system, and laws on investments and intellectual property

(2) Actively making use of ODA loans and Private-Sector Investment Finance

1) Making effective use of Special Terms for Economic Partnership (STEP) ODA loans

[Example 2]

Mombasa Gate Bridge Construction Project (Kenya)

- A project to support the construction a cable-stayed bridge over the Port of Mombasa—the gateway to East Africa—and improve the surrounding roads. The bridge is the longest of its kind on the African continent.
- Built using Japanese technology, the bridge will make transportation and distribution in Mombasa smoother. This is expected to lead to economic development in the region.



2) Actively make use of Private-Sector

Investment Finance (PSIF)

- Japan’s technologies and knowledge to support implementation of non-revenue water improvement program
- Supporting from the Planning and Formulation Stage
- First Co-financed project between JICA and Japanese Private Financial Institutions
- First local currency-based loan

3) Support to bring about projects based on private-sector proposals

(Preparatory Survey [PSIF F/S])

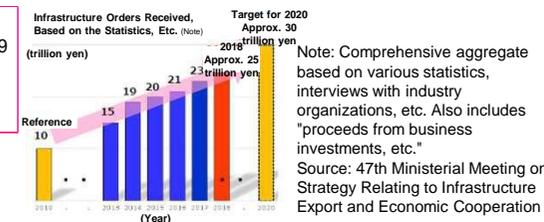
- The government issues public invitations for survey proposals from the private sector, to support the formulation of plans for projects that use private-sector funding.
- Applications can be submitted and adopted-at any time. The upper limits for the survey costs are: preliminary survey: 30 million yen; full survey: 120 million yen.
- Fruits to date include the "Non-Revenue Water Improvement Project in the West Zone of Metro Manila" (PSIF, See [Example 3]).

[Example 3] Non-Revenue Water Improvement Project in the West Zone of Metro Manila (the Philippines)



3. Results

Based on the statistics, etc., infrastructure orders received in 2019 amounted to approx. 27 trillion yen, and are steadily increasing (approx. 25 trillion yen in 2018).



4. Challenges

(1) Making improvements in terms of systems and management

→ Constantly review the systems for support using ODA, also taking into account what the private-sector economy wants.

Recent improvements to the systems for ODA loans and Private-Sector Investment Finance

[ODA loans]

- Establishing dollar loans
- Making more use of ODA loans for newly industrialized countries and countries transitioning to graduation from aid
- Further acceleration
- Comprehensive support to promote the development of PPP infrastructure

[Private-Sector Investment Finance]

- Introducing Private-Sector Investment Finance in foreign currencies
- Introducing cofinancing with private-sector financial institutions

(2) Linking system improvements to specific proposals

→ Encourage private companies to actively formulate proposals that utilize the new systems. Do this in addition to advertising the idea to stakeholders in private companies/industries and developing countries' governments, and encouraging them to do it as well.

(3) Improving the environment to promote Japanese companies to bid for STEP ODA loans

→ In addition to encouraging borrowing countries to use STEP loans, encourage the business community to do it as well, so that Japanese companies bid on multiple projects. In addition, strengthen the capacity of developing countries' governments by utilizing, for example, support toward developing their legal systems (e.g.: training on customs clearance systems, developing laws, etc. related the economy and business).

(4) Strengthening developing countries' capacity to promote PPP

→ Through technical cooperation, support things like designing systems (public-private risk sharing, etc.) and developing human resources and organizations in developing countries, in order to promote the introduction of private-sector funding.