

JAPAN'S NEW APPROACH FOR ACCELERATING PUBLIC PRIVATE PARTNERSHIP

Shigeru USHIO

Director of Development Assistance Policy Division
International Cooperation Bureau
Ministry of Foreign Affairs

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■ Back Ground of Public Private Partnership

- Importance of private sector activities has been increasing in terms of economic and social development in developing countries.
- To motivate private sector to invest in developing countries based on development and business needs, Japan's ODA need to promote the communication between private and public.



Under these circumstances, Japan's new ODA approaches are now on-going

■ Back Ground of Public Private Partnership

◆ New Government Policies have launched.

1. **New Growth Strategy** by the Cabinet (June 2010)

“Promote deployment of integrated infrastructure systems through public-private collaboration”

2. **ODA Review Final Report** by MOFA (June 2010)

“Proper use of ODA for Japan’s Growth Strategy:
Coordination with the private sector”



① PPP Infrastructure F/S Support Program

② BOP Business F/S Support Program

③ Private Sector Investment Finance

① PPP Infrastructure F/S Support Program

◆ Purpose

- Conduct studies to formulate PPP infrastructure projects, based on the proposals submitted by private companies.

◆ Process

- Selection is made by Ministry of Foreign Affairs and JICA.
- 1st batch in March 2010: 17 proposals (including 9 projects in Vietnam).

Under consideration

2nd batch in November 2010: Under consideration

◆ Applicants

Private companies (registered in Japan) or their group, which intend to invest in PPP infrastructure after the study is completed.

◆ Selection Criteria

- Possibility of Collaboration with Japan's ODA Projects (mainly Loan)
- Development Impacts
- Alignment of Japan's ODA policy

② BOP Business F/S Support Program

◆ Purpose

- Conduct studies to develop BOP business models and use of ODA, based on the proposals submitted by private companies.

◆ Process

- Selection is made by Ministry of Foreign Affairs and JICA.
1st batch in August 2010 : Under consideration

◆ Selection Criteria

- Possibility of Collaboration with Japanese ODA Projects
- Development Impacts
- Business Sustainability / Expandability / Replicability
- Considerations to Local Communities

③ Private Sector Investment Finance (PSIF)

- Resuming of PSIF is under discussion among related ministries and JICA.
- PSIF will resume by next March.

◆ Financial Products (tentative)

- Equity Finance (SPC, individual entity, Fund)
- Debt Finance

◆ Target Sectors

- Poverty Alleviation
(e.g. PPP infrastructure project, micro-finance project, BOP project etc.)
- Climate Change etc

✕excluding projects which can be financed by existing financial institutions

Thank you.