

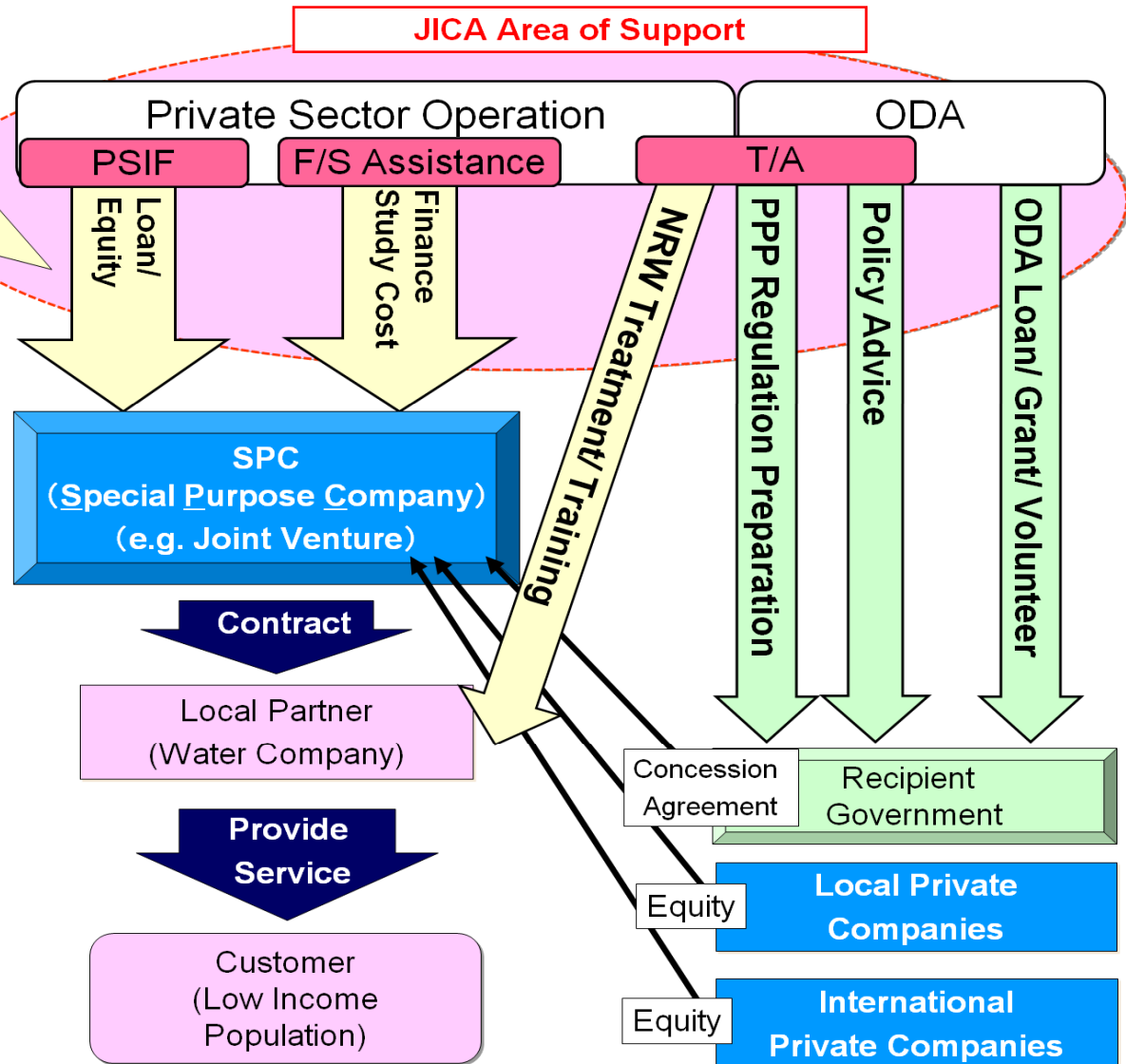
◆ JICA's tools for promoting Private Sector Partnership

JICA supports development in total: origination (preliminary and feasibility study), finance through ODA Yen loan to sovereign and/or PSIF, to private, and Technical Assistance.

- JICA OPSP's Supporting Tools:**
- ◆ **Support for feasibility study:**
 - (1) New Preparatory Survey Scheme for PPP Infrastructure Projects (**PPP Infrastructure F/S Assistance**)
 - (2) New Preparatory Survey Scheme for BOP Business (**BOP F/S Assistance**)
 - ◆ **Support for financing:**
 - (3) Private Sector Investment Finance (**PSIF**)

- Utilization of the past ODA experience**
- Japanese ODA Loan (Infrastructure)
 - Technical Assistance (Training, Expert, Master Plan)
 - Grant/ Volunteer

- Development Outcome**
- Improvement of living standard
 - Achievement of MDGs
 - Formation of a model case



(1) PPP Infrastructure F/S Assistance: Overview

Outline:

- JICA calls for proposals from the private companies, select through a competitive process, and funds cost of the Feasibility Study.

JICA's Support:

Max. JPY 150 mil. to cover the Feasibility Study cost.

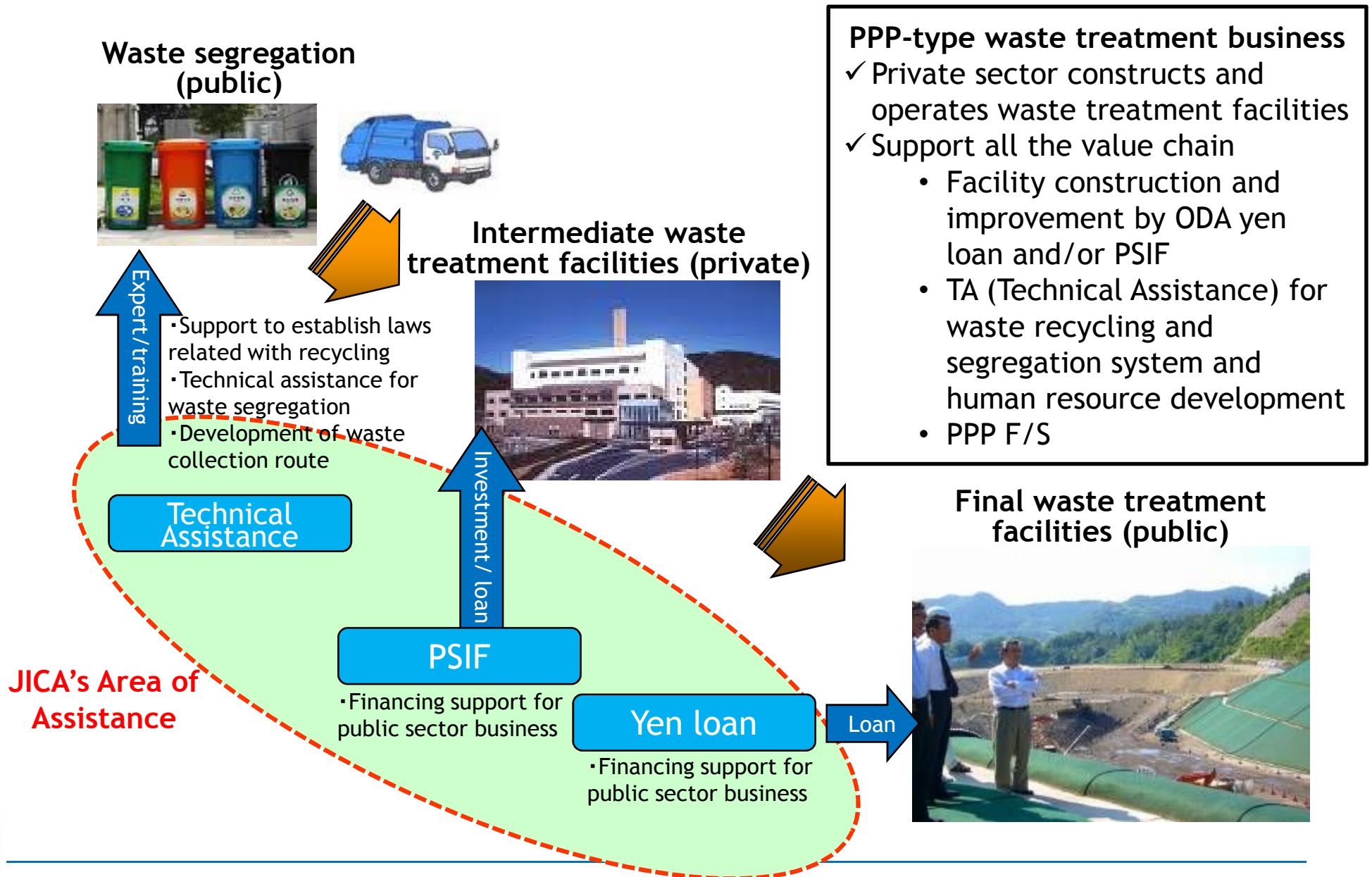
Eligible projects:

- PPP infrastructure projects in developing countries
- Utilizing JICA ODA assistance including Yen Loan (sovereign) and/or PSIF is expected
- Proponent should have an intention to invest in the project

Results:

- 5 calls for proposals conducted since March 2010. 34 proposals awarded in total.

(1) PPP Infrastructure F/S Assistance: eg. Solid Waste Management



(2) BOP Business F/S Assistance: Overview

Outline:

- JICA calls for ideas from the private companies, select candidate studies through a competitive process, and finance the cost of F/S.

JICA's Support:

Max. JPY 50 mil. / JPY 20 mil. (for SMEs) to cover Feasibility Study cost.

Eligible business type:

- Businesses that involve BOP as consumers of a good or service which leads to developmental effect; or
- Businesses that offers BOP the opportunity of participating in its economic activity as an entrepreneur or employee, which leads to developmental effect.

Results:

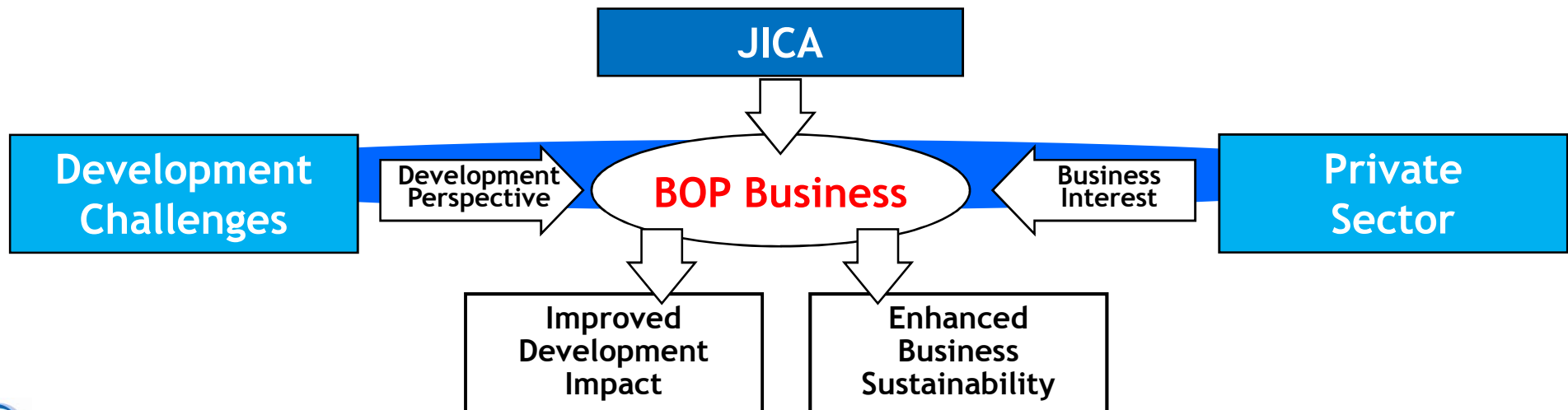
- 3 calls for proposals conducted since August 2010. 52 proposals awarded. 4th batch was called in July 2012.

(2) BOP Business F/S Assistance: Overview

Objective

The “BOP Business Promotion Program” is to promote private sector BOP business (inclusive business) in developing countries which contribute to meeting and responding to development challenges.

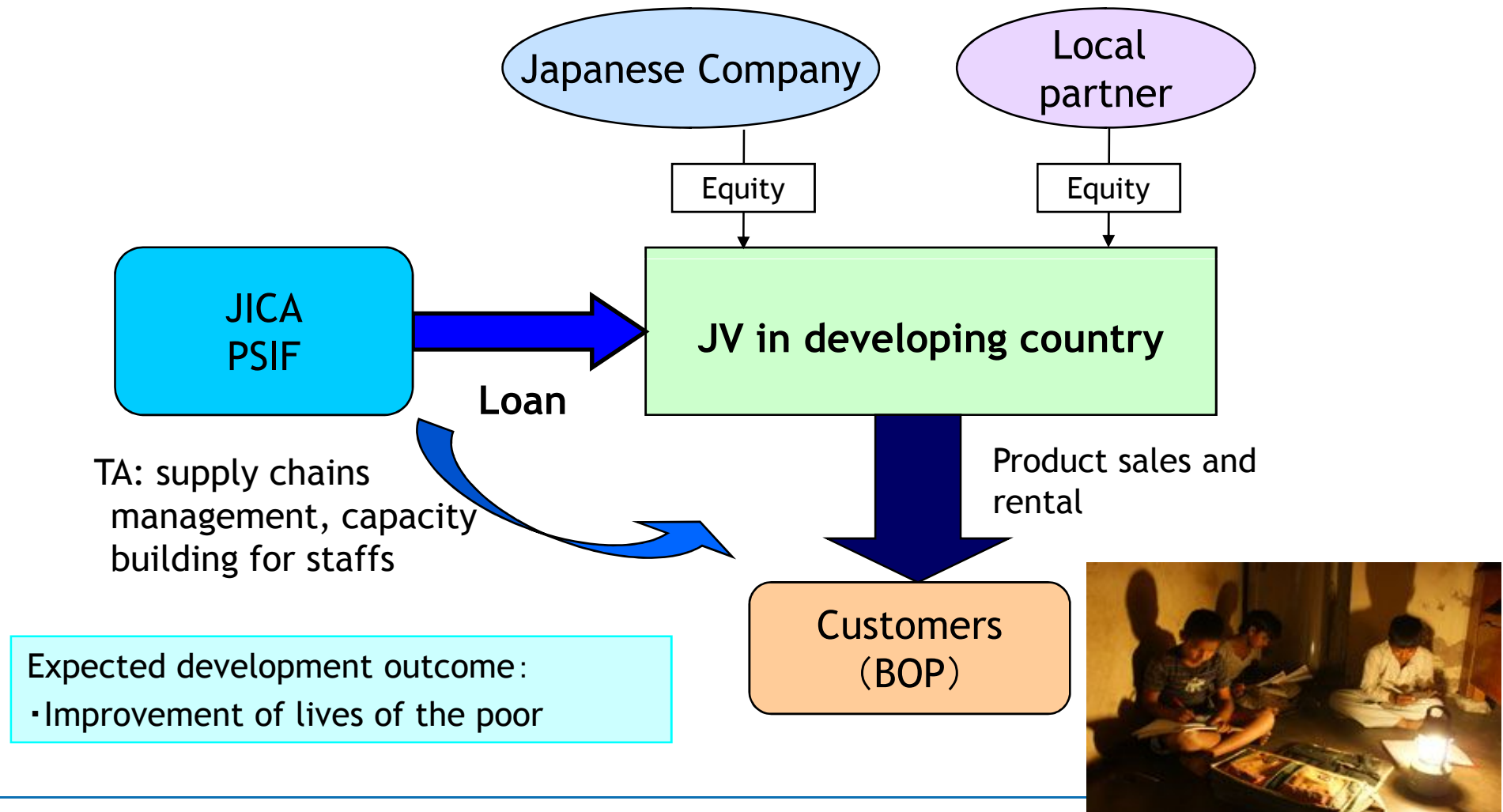
By partnering with such businesses, JICA tries to match its development goals (such as achievement of MDGs, including poverty reduction, and broader economic/social development) with the private sector’s business interests, and thereby making the BOP business more sustainable and raising public interest.



(2) BOP Business F/S Assistance :

Assistance to businesses which improve lives of the poor

Project image: Loans for Japanese company selling and leasing solar lanterns in developing countries



(3) PSIF (Private Sector Investment Finance)

(1) Outline

PSIF

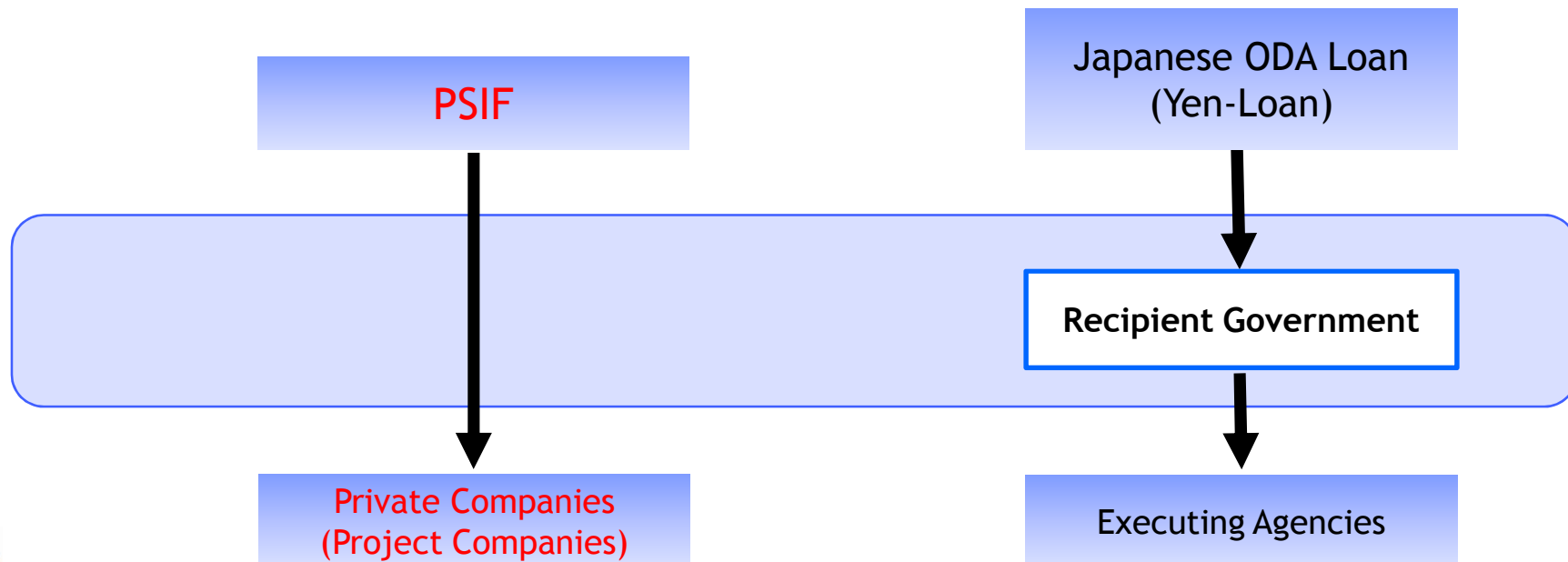


One of Official Development Assistance (ODA) Schemes
⇒ Purpose: Support economic development and Poverty Reduction

Loan (long tenor and low interest rate) & Equity

Direct Support for Private Companies
(available for JV with Government Companies)
⇒ therefore, request or other procedures taken by recipient
Governments are NOT required

Scheme which is
Speedy,
Flexible and
Concessional



(3) PSIF (Private Sector Investment Finance)

(2) Target Sector

1. Infrastructure: To Accelerate Economic/Social Growth through Infrastructure Development

- Infrastructure for the poor (e.g. social infrastructure in education and health, rural electrification, water supply services, roads, etc)
- Projects for Social / Economic Development (e.g. infrastructure in the sector of power, transportation, water and waste disposal, etc)

2. MDGs and Poverty Alleviation: Assistance to Projects for the Poor

- Enhanced financial access to the poor (microfinance and SME-finance)
- Assistance with businesses leading the improvement of lives of the poor (BOP business)

3. Climate Change: To Prevent and Reduce Negative Impact to the Poor by Climate (e.g. forestation, renewable energy, energy efficiency projects, etc)

Business Chances under the Japanese ODA Loans in LAC

LAC is vulnerable region that has suffered serious effect of Climate Change.

Therefore, Climate Change is one of the priority areas for LAC region, especially Renewable Energy and Energy Efficiency.

In March 2012, JICA and the Inter-American Development Bank (IDB) signed a Framework Agreement for CORE Scheme.

CORE Scheme:

- ◆ CO-financing for Renewable energy and Energy Efficiency
- ◆ Up to 300 million USD in 5 years
- ◆ Eligible country: Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Dominican Republic, Jamaica, Belize and Guyana

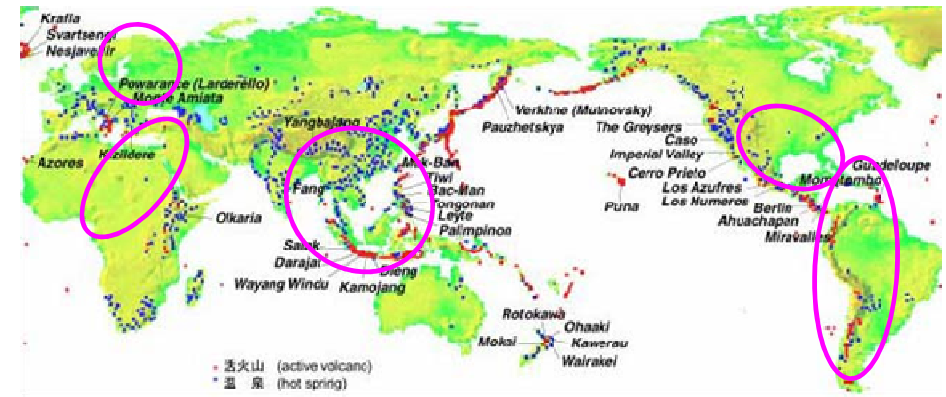


1) Renewable Energy Project -Geothermal Development Project

◆ High Potential of Geothermal in LAC

◆ High International Oil Price

Increasing opportunities of EPC Contract
in Geothermal Development Project
financed by ODA Loan.



Example of ODA Loans

Costa Rica : 'Miravalles Geothermal Power Project' (1985)

Costa Rica : Las Pailas (*in Preparation*) (F/S, Loan in Preparation)

Borrower: The Government of Costa Rica

Executing Agency: Instituto Costarricense de Electricidad (ICE)

Bolivia : Laguna Colorada (*in Preparation*) (Supplemental Studies, Loan in Preparation)

Borrower: The Government of Bolivia

Executing Agency: Empresa Nacional de Electricidad (ENDE)

2) Energy Efficiency Project

- Two-Step Loans (Energy Efficiency in Private Sector)

:TSL for energy efficiency through the financial institutions for the introduction of/ replacement to energy efficiency equipment by private sectors in partner countries.

e.g. Replacement of transformers, air conditioners, fans and pumps with inverter etc.

- Project Loans(Energy Efficiency in Public Sector)

e.g. Replacement of electrical equipment in public building, street lighting etc.



Example of ODA Loans

Central American country *(in Preparation)*

Outline :Replacement of street public light, lamps in governmental building, and lamps in private sector

