

Japan

Aiming for Sustainable Infrastructure

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Introduction of QII

- Infrastructure is critical as a driver of economic prosperity and a solid basis for economic growth and sustainable development.
- Not only to meet the quantitative demand but also to consider quality such as transparency, openness, economic efficiency in view of life-cycle cost and debt sustainability in infrastructure development in order to realize "quality growth" in developing countries



- From this viewpoint, Japan has been leading international discussions
- “G20 Principles for Quality Infrastructure Investment” was endorsed by G20 Leaders at the G20 Osaka Summit

➤ History of QII



Source: Ministry of Land, Infrastructure, Transport and Tourism

Relationship with SDGs

G20 Principles for QII

1

Maximizing the positive impact of infrastructure to achieve sustainable growth and development

2

Raising Economic Efficiency in View of Life-Cycle Cost

3

Environmental Considerations

4

Building Resilience against Natural Hazards and Other Risks

5

Social Considerations

6

Infrastructure Governance

SDGs



³ Source: Ministry of Land, Infrastructure, Transport and Tourism

G20 Principles for QII that Japan can provide

G20 Principles for QII

Main value Japan can provide

1 Maximizing the positive impact of infrastructure to achieve sustainable growth and development

Technology transfer, enhanced skills and institutional construction support

2 Raising Economic Efficiency in View of Life-Cycle Cost

- Long life
- Low life cycle cost

3 Environmental Considerations

Reliable technology backed by experience of development cooperation with consideration for the environment and disaster prevention

4 Building Resilience against Natural Hazards and Other Risks

5 Social Considerations

Construction that considers the local community and safety

6 Infrastructure Governance

Appropriate operation, maintenance and management

Promotion of PPP / PFI in Japan

Challenges to overcome in Japan

Social / Economic Environment

① Population decline / aged society

- Low total fertility rate and the highest level of elderly ratio in the world

② Severe financial situation

- Japan has the worst debt-to-GDP ratio among major developed countries.

③ Deterioration of public facilities

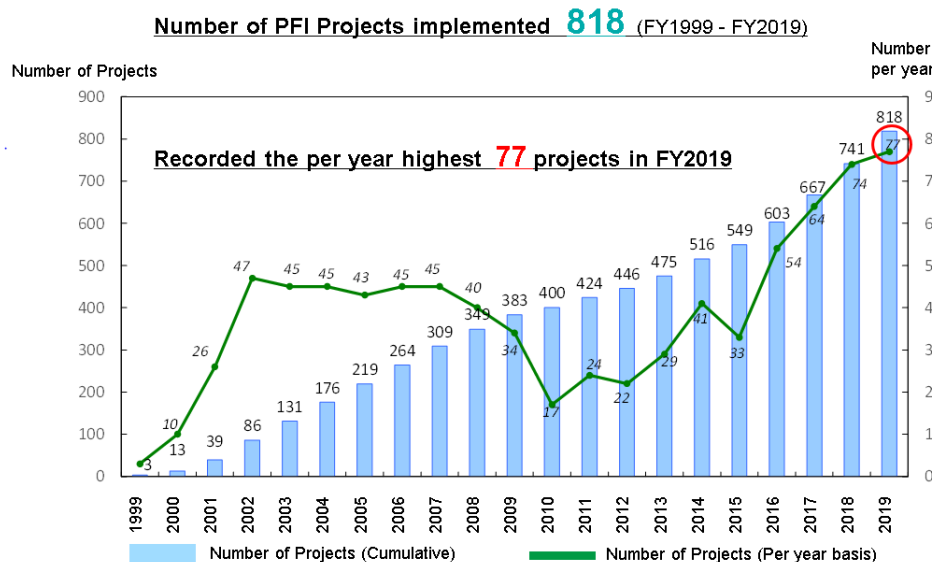
- High Percentage of social infrastructure that is 50 years old or more after construction

PPP/PFI Experiences in Japan ①

➤ **History** **over 21 years** (Since PFI act enacted in 1999)

➤ **PFI Projects implemented** **818 Projects**

- Total PFI projects being implemented from **FY1999 to FY2020**
- PPP projects (not compliance with PFI act) other than PFI is not included
- The latest figure is **875 projects (announced in November)**.

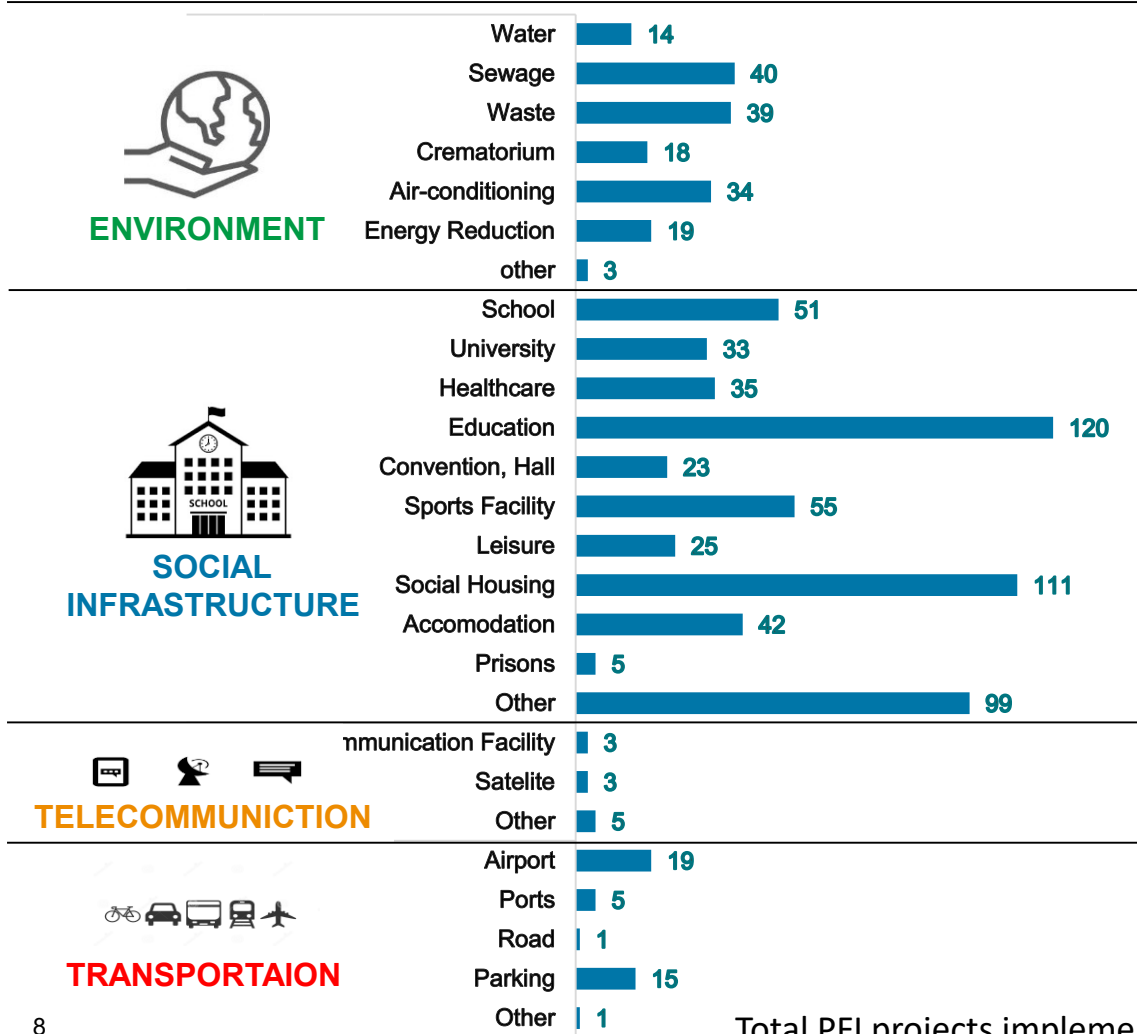


PFI project is an upward trend for these 10 years

PPP/PFI Experiences in Japan ②

Number of PFI projects by field and contractor

0 20 40 60 80 100 120 140



By contractor:

- Central Gov.: 10%
- **Local Gov.: 83%**
- Other: 7%

Total PFI projects implemented from FY1999 to FY2019

Photos of PPP/PFI Projects in Japan

① Education

※Supply center of school meals



③ Complex Facility



② Social Housing



Support to Local Governments

1

Various Guidelines and manuals

Process guideline, Risk guideline, VFM guideline, Contract guideline, the Right to Operate the Public Facility Guideline etc,

2

PPP/PFI regional platform

Formed by local enterprises, financial institutions, and local governments.

Framework for improving know-how and project formation capabilities of PPP/PFI projects in the region

3

PPP/PFI priority consideration principles

Principles that give priority to considering whether PPP/PFI can be used for the public works projects
(Introduced in 194 local governments)

4

Support for feasibility study

Subsidizing for feasibility study which held by local governments before implementing PFI project

5

Dispatch specialist

In response to requests from local governments, CAO dispatches administrative practice experts to local governments

Beside the above, CAO provide several supports to local governments.

Thank you !



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