

15 August 2017

Report

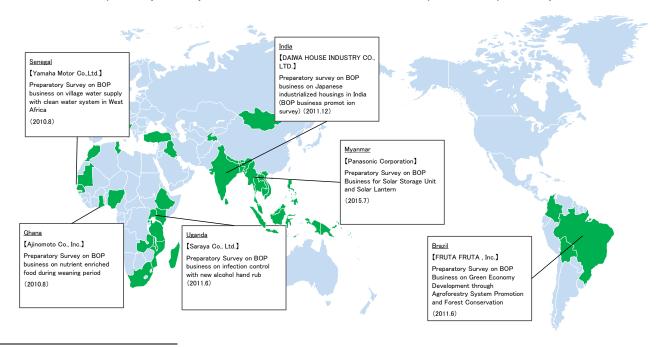
Emerging Future on Procurement for Sustainable Development(2)

The private sector in Japan and its contribution to the SDGs

By Center on Global Health Architecture

Since 2009, the Government of Japan has renewed its strategy on public–private partnerships for international development and began accepting proposals by private companies, organizations, and universities that plan to enter into the market in developing countries. In doing so, these private entities intend to pursue not only profit, but also social objectives to contribute to international development and cooperation. The Ministry of Foreign Affairs, the Japan International Cooperation Agency (JICA) and the Ministry of Economy, Trade and Industry are working collaboratively as the core members implementing and managing public private partnerships. The new scheme was originally called the "Preparatory Survey for BoP Business Promotion" (BoP: Base of Pyramid) and was renamed the "Feasibility Survey for SDGs Business Promotion" in 2017. It has already adopted more than 100 projects by private entities, ranging from infrastructure-related projects to projects with social objectives to improve development issues and introduce innovative solutions in developing countries in areas such as the prevention of hospital-acquired infections, vector control, the improvement of malnutrition, and the introduction of renewable energy sources. This program is a framework to sponsor financial assistance for feasibility studies.

Preparatory Survey for BoP Business Promotion: Examples of Adopted Projects¹



¹ Japan International Cooperation Agency (JICA) website press releases, "Preparatory Survey for BOP business promotion − List of Projects," < https://www.jica.go.jp/english/news/press/2017/8/1>, accessed on the 31st July 2017.



Mitsubishi UFJ Research and Consulting

Several private entities that have received support are providing their own products to contribute to solving and improving development issues in developing countries. When we look at the sales models of these businesses, one of their targets is public procurement, including by the UN and its concerned parties.

As many of you know, Japanese products tend to be "high quality but high cost," and this has long been a characteristic of goods "made in Japan." Recently, some Japanese companies have been trying to cooperate with local and foreign companies to create a new type of products that are "made *with* Japan." However, they are just in the beginning stages of these efforts.

It is important to note, as previously mentioned, that the approval of the new procurement framework by the WB will potentially increase the use of the VfM concept in the procurement systems of international agencies. In the future, these practices will spread to current emerging and developing countries. Because of this, more "high cost but high quality" goods and services will be purchased and will make an even greater contribution to "Sustainable Procurement for Sustainable Development" than ever before. Of course, businesses must continuously push to control costs without reducing quality.

- This document and any content and information contained herein are provided for information purposes only and do not
 constitute an offer to sell or the solicitation of an offer to buy any securities or financial instruments.
- This document and the content and information contained herein are based on information that we believe is reasonably reliable. However, this document and any and all content and information contained herein are provided "as is" and "as available". Mitsubishi UFJ Research and Consulting Co., Ltd. (MURC) makes no warranties of any kind regarding the document or any and all content and information contained herein. Under no circumstances shall MURC, its directors, officers, employees, or representatives be liable to you for direct, indirect, incidental, consequential, special, punitive, or exemplary damages arising from this document and the content and information contained herein.
- This document and any and all content and information herein are protected by copyrights, trademarks, service marks, international treaties, and/or proprietary rights under any applicable laws. Unless otherwise permitted by law, you may not copy, reproduce, publish, upload, or transmit any or all of this document or any content or information contained herein without the written consent of MURC.