

Dear Friend of Japan,

I write to you today to provide an update on Japan's efforts to promote the development of quality infrastructure in our region.

In May, Prime Minister Abe announced the "Partnership for Quality Infrastructure," which seeks to ensure the provision of "quality as well as quantity" in respect to regional infrastructure development. Under the policy, Japan and the Asian Development Bank (ADB) will jointly provide US\$110 billion for the financing of innovative infrastructure in Asia over the next five years.

As previously announced, the Partnership is based on four pillars. The first pillar centres on a 25 percent increase in Japan's official development assistance (ODA) loans to Asian infrastructure projects and emphasises the promotion of public-private partnerships (PPPs). The second pillar focuses on providing greater support for ADB initiatives, including a 50 percent expansion of its lending capacity. The third pillar aims to enable the Japan Bank of International Cooperation (JBIC) to provide funding for PPP projects with relatively high risk profiles, while the fourth pillar promotes quality infrastructure through site visits, seminars and international fora.

Building on these initiatives, the Government of Japan last month announced a broad suite of follow-up measures that will further underpin the expansion of quality infrastructure in Asia. The measures include a further streamlining of processes associated with Japanese ODA loans and the establishment of a US\$10 billion co-financing arrangement involving the Japan International Cooperation Agency (JICA) and the ADB. The new initiatives were outlined by Prime Minister Abe in his recent speech to the ASEAN Business and Investment Summit, which I have referred to below.

[http://japan.kantei.go.jp/97\\_abe/statement/201511/asean.html](http://japan.kantei.go.jp/97_abe/statement/201511/asean.html)

I hope that the aforementioned measures—as well as those highlighted by Prime Minister Abe in his speech—serve to illustrate some of the ways in which Japan is endeavouring to promote high-quality infrastructure internationally. I also hope that

these examples assist in demonstrating that Japan is a reliable and cooperative investment partner that seeks to develop effectively coordinated and mutually beneficial projects. In this connection, I would also like to emphasise that Japan looks forward to further strengthening engagement with Australia based on our long-standing and highly complementary trade and investment ties.

Yours sincerely,

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Sumio Kusaka

Ambassador of Japan to Australia