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Joined the Keidanren Secretariat in 1979. Took up his current position after serving as manager for International Cooperation. Has been involved in efforts to promote economic exchanges such as trade, investment, ODA and so on from the viewpoint of developing the private sector. Also committed to CSR-promoting activities to strengthen the relations between the private sector and NGOs in Japan.

Projects evaluated

Field surveys: June 2007

India

- Delhi Mass Rapid Transport System Project
- Yamuna Action Plan Project

- Bangalore Water Supply and Sewerage Project
- Western Yamuna Canal Hydroelectric Project

Japan inaugurated its official development assistance (ODA) in 1954. In May 1958, Nippon Keidanren established its Committee on Economic Cooperation (present Committee on International Cooperation) and since then, including the publication of our most recent position document in May 2007, "Recommendations on Japan's International Cooperation Policy and Expectation on the New JICA," the federation has put forward almost annual recommendations on international cooperation.

The position of Keidanren staff involved in international cooperation, however, is not an easy one. We occupy the middle ground between relevant government and project executing agencies on one side and private sector companies on the other, and while we have passive knowledge based on reported information, we rarely travel to ODA sites. Therefore, our firsthand knowledge of actual operations is limited.

For a person like myself in such a position, visiting India, the largest recipient of recent Japanese ODA loans, and observing ODA loan projects first-hand was an eye-opening experience. Therefore, I would like to give my brief impressions of what I learned during my visit.

1. Delhi Mass Rapid Transport System (Delhi Metro)

The Delhi Mass Rapid Transport System project is a highly regarded project with high visibility and, as such, has attracted a number of VIPs including then Prime Minister Junichiro Koizumi. The project also involved cooperation in soft areas, such as guidance on "general manners and conduct" when using the transport system, including boarding etiquette. Signs indicating Japan's cooperation in the project were also on display at stations.

However, because the trains, the most visible part of the system, were manufactured by Rotem of Korea, I heard that a number of users mistakenly believed the Delhi Metro was built with the assistance of Korea, which I found odd. On the other hand, it is also a fact that Japanese private sector companies have been involved



Delhi Metro (The train is broad-gauge and more spacious than Japanese carriages.)

in efforts to expand business cooperation in Asian countries for many years. So this is a good thing that mutually beneficial relations are formed to provide international business opportunities without narrow-minded nationalism, although it of course would be desirable if Japanese-made trains were used.

The currency crisis of 1997-1998 caused chaos in the Korean economy and in the struggle to survive, companies were forced to engage in major business restructuring including mergers and consolidation. Rotem is a result of one such merger between major train manufacturers, and the contract award for the Delhi Metro is said to have breathed new life into the company. Japan's ODA has resulted in increased business cooperation between Japan and Korea and, while perhaps indirectly, ODA has played a role to some extent, in the corporate revitalization of Korea. I had the strong impression that the ripple effects of ODA are far-reaching, bringing about results in unexpected areas.

2. West Yamuna Canal Hydroelectric Project

The West Yamuna Canal Hydroelectric Project has been beset by several problems including delays in construction, insufficient water output, and equipment breakdowns. A proposal for improvement has already been submitted to the head of the Haryana Power Generation Corporation Ltd., and upon approval from the Government, an external consultant will



West Yamuna Canal Hydroelectric Project (Downstream of the weir, discharge channels are opened and closed by the gantry crane.)

be hired to prepare an improvement plan. However, the question still remains as to whether the Indian side will proceed with rehabilitation through the use of an ODA "loan." Although spare parts for the rehabilitation can be provided through Japanese grant aid, it is not under JBIC's jurisdiction and the budget will be small, amounting to some several billion yen. At the same time, there are several issues to consider, including rainfall decreases, which raise concerns for the sustainability of the project.

As noted above, Keidanren released its recommendations for international cooperation in May 2007. In the proposal, our federation requested that the period from the formation phase of ODA loan projects to the implementation phase be shortened, and that under the New JICA framework the three types of cooperation — Japanese ODA loans, grant aid, and technical assistance — be managed in an integrated manner.

The New JICA is one year away from its inauguration. To maximize the benefits of Japan's efforts in international cooperation, the cooperation among these three schemes should be strengthened. One of the most valuable outcomes of my recent visit was being able to reconfirm this point.