

QUALITY INFRASTRUCTUREFOR QUALITY GROWTH

ASCE India Conference 2017 IIT Delhi, New Delhi 13 December, 2017

Takema SAKAMOTO
Chief Representative, JICA India Office





Several Commitments;

- * Japan's Development Cooperation Charter (2015): "Quality growth (inclusiveness, sustainability, resilience) through HRD, infrastructure and establishment of regulations and institutions..."
- * Japan's Partnership of Quality Infrastructure (2015): "ensure the quality of infrastructure to achieve <u>sustainable</u> <u>development</u> and to bring <u>well-being</u> and <u>benefits</u> to <u>people</u>," "quality infrastructure is <u>easy to use</u> and <u>durable</u>, as well as <u>environmentally friendly</u> and disaster <u>resilient</u>," "quality infrastructure is indeed <u>cost-effective</u> in the long run.
- * G7 Ise-Shima Principle (2016):

 "promoting quality infrastructure investment so as to promote strong, sustainable and balanced growth and to enhance resilience in our society, as well as to contribute to the global efforts for the SDGs."

1. BACKGROUND (CONTINUED)



Quality of Works (Image Photos)



JICA's case

Non-JICA's case

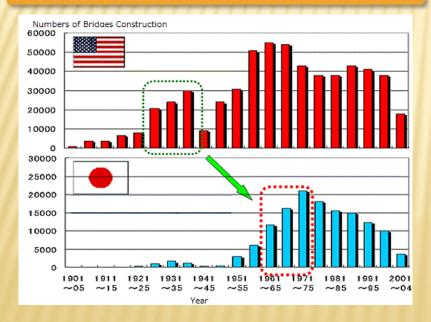
1. BACKGROUND (CONTINUED)



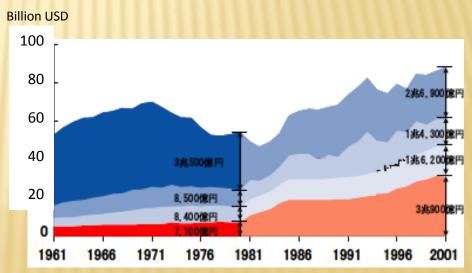
Quality of Works

- \checkmark (increasing aging infra.) x (risk of degradation) =
- ✓ US experienced "aged era" for bridges from 1980s, Japan entered from 2010s. (c.f. America in Ruins)
- ✓ Massive future set-back cost may be derived.
 - ⇒ High quality infrastructure as a risk mitigation solution

The transition of bridge construction in US and Japan



The cost for bridge maintenance in US



1. BACKGROUND (CONTINUED)



Build Back Better and Resilience (Image Photos)

JICA's case in the Philippines ~
Reconstruction after 2013 Typhoon "Haiyan (Yolanda)"



Damage after the Disaster



Reconstructed New School with the concept of "Build Back Better and Resilience"



2. POINTS OF QI



Salient Features

to be expected under "Quality Infrastructure (QI)";

- Stable / Reliable
- Sustainable
- Long-term / Resilient
- With a lot of Beneficiaries / Inclusive

c.f. Guidebook on Quality Infrastructure Development and Investment (APEC 2014)

jica

2. POINTS OF QI (CONTINUED)

Key Elements

for appropriate project <u>selection/prioritization</u>, <u>procurement</u> and <u>implementation management</u>:

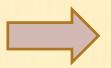
- Life Cycle Cost
 - VfM, Durability, Maintainability
- Envir. and Social Considerations
 - PAP, Gender, Vulnerable Persons, Universal Service
- Safety Assurance
 - Both in Construction and Operation Stages

c.f. APEC Guidebook (2014)



3. LESSONS LEARNED (JICA'S EXPERIENCE)

Lessons



Measures to Be Taken

- Insufficient service delivery due to failure in proper design, implementation and O&M of the infrastructure
- Negative environmental/social impacts
- Huge financing gap requires to be mobilized, especially from private sectors

- Concept of <u>VfM</u>, <u>durability</u> and <u>maintainability</u>, with <u>capacity</u> <u>development</u>
- Participatory approach
- <u>Considerations for vulnerabilities</u> with EIA
- Better business environment for encouraging private sector involvement (*)
 - (*) Proper and attractive risk sharing between P-P is the key.





- Alignment with national priorities and long-term vision/sequence should be ensured, through dialogues with partner countries.
- Project Selection/Prioritization
- Value for Money

Dialogue

- Wide-range support should be planned, from upstream stage.
- CD, legal and regulatory framework dev.
- Master Plan
- Fair and Competitive **Procurement**
- Good Quality of Works

 Experiences and know-how of international society should be well shared, including bitter experiences.

 Appropriate safeguard policy, for avoiding environmental pollution Knowledgesharing

Partnership

Holistic

Approach

 Mobilizing various financial resources and expertize through

"properly risk-shared and attractive" project framework

 Private sectors, donors and CSOs.



5. EXAMPLES (JICA'S EXPERIENCE)

Metro Manila

- Catalytic role of ODA: Enabled PPP arrangement, in which construction was managed by public utilizing ODA loan, while O&M was contracted out to private.
 Proper and attractive risk sharing between public and private.
- Partnership with other donors: IFC assisted proper bidding process for the O&M concession.
- Alignment with national priorities based on the previous Master Plan: One of 10 national priority PPP projects identified by the Philippine government. Full utilization of the previous Master Plan.



Olkaria (Kenya) Geothermal Power Plant

- Capacity Development for reliable operation: Synergy with tangible infrastructure construction support thru ODA loan provision and Technical Cooperation for Capacity Development of Kenya Geothermal Development Company.
- Partnership: Co-financed with WB, EIB and KfW for the construction of steam and water pipelines and transmission lines, which is effective not only for fund mobilization but also for adaption of international standards for implementation and O/M of the Project. Introduction of proven advanced technology / equipment for turbine.
- Environmental sustainability: Eco-friendly design of the pipelines.

Delhi Metro

• Reliable operation: Synergy with tangible infrastructure construction support thru ODA loan provision and Technical Cooperation for Capacity Development of

Delhi Metro Railway Corporation (DMRC). Japanese private sector involvement not only for construction but also in O/M management for optimization of LCC.

Realization of timely and comfortable operation. **Social innovation** has been observed.

- <u>Safety Assurance</u>: Local contractors learned proper safety procedures through joint works with foreign contractors. Safety measures have been replicating widely.
- Environmental sustainability: Introduction of green technology ("power regenerative brake"). Reduction of air pollutants thru modal shift promotion.



Delhi Metro

Modal Shift!



(CONTINUED)



Numerous private transportation

>> Mass transit public transport

over 200km long and nearly 3 million passengers/day.

✓ Reduction of vehicles No. : 390,971 /day

✓ Reduction of fuel consumption: 276,000 t/year

✓ Reduction of pollutants : 577,148 t/year

JICA's support (1997-): soft loans (JPY642 bil. (about Rs40,000 crore)) and technical cooperation



- Water Sector toward;
 - a. Loss Reduction against D/S Gap
 - b. Financial Sustainability





efficient water usage

e.g.

- Goa's case after renewal facilities and CD (in Curtorim area):
 NRW rate improved dramatically (18.0% ←45.1%)
- b. <u>Water tariff collection</u> improved through CD and meter deployment. Strengthening <u>O/M capacity</u> technical cooperation is been implementing.



- Sanitation Sector toward;
 - a. Public Awareness / Mindset Change
 - b. Introduction of New Technology







Community toilet operated by local NGO

- e.g. In alignment with "Swatchh Bharat" Policy
 - Environmental education widely conducted in collaboration with NGOs over thousands of schools.
 Approx. 1500 community toilets constructed under the situation of 50% open defecation rate.
 - Tech. and know-how of <u>Japanese companies/local gov.</u> widely introduced.



Power Sector toward;

e.g.

- a. Loss Reduction
- b. Energy Efficiency







- Transmission system upgrading in Haryana (Transmission loss: 2.2% (lowest in India) \leftarrow 2.7%)
- Over 200 Indian experts joined JICA training courses in Japan for "energy efficiency & conservation" in 10 years

Thank you! धन्यवाद

