Major fillip for Infrastructure Projects in India as JICA Extends Loan of 221,938 Million Yen

Loans announced for Bihar National Highway, Dedicated Freight Corridor (DFC), Chennai Metro and Piped Water Project in West Bengal

On February 22, the Japan International Cooperation Agency (JICA) signed a Japanese ODA loan agreement with the Government of India to provide 22,903 million yen equivalent to Rs. 1,347 crores for Bihar National Highway Improvement Project.

On March 28, other loan agreements were signed to provide 199,035 million yen equivalent to Rs. 11,707 crores for Dedicated Freight Corridor Project, Chennai Metro Project, and West Bengal Piped Water Project.

Since economic reforms began in 1991, India has achieved a high economic growth rate, generally between 7 and 9 percent, particularly from year 2003 onwards. Recently, however, economic growth has decelerated with the real GDP falling to 4.5 percent in the quarter from October to December 2012 in the previous year. Going forward, there is a heightened need to provide socio-economic infrastructure in order to achieve sustainable economic growth.

The Government of India has set “faster, sustainable and more inclusive growth” as a goal in its 12th Five Year Plan, with an aim of expanding the economy through faster growth and ensuring all citizens enjoy the benefits through inclusive growth. The Government plans to reach approximately one trillion dollars in infrastructure spending within the 12th five-year plan target period.

JICA will be committed to provide assistance for the 12th Five Year Plan, and will continue to work dynamically for economic growth and poverty reduction in India.
Accelerating the Development of **Delhi-Mumbai Industrial Corridor** and the **Chennai-Bengaluru Industrial Corridor** to Support Sustainable Economic Development in India

The Governments of Japan and India, using public-private initiatives, are to develop the Delhi-Mumbai Industrial Corridor (DMIC) and the Chennai-Bengaluru Industrial Corridor (CBIC), for supporting industrial and economic development in the region. For this development, a framework has been put in place through Japan-India summits and minister-level talks. JICA is providing support through Japanese ODA loans and technical cooperation to achieve the development of DMIC and CBIC region.

The DMIC is an integrated regional development program for promoting direct investments in India by Japanese and other companies as well as Indian exports. It will be the largest industrial corridor in India, connecting industrial complexes and harbors in six states from the capital of Delhi to the commercial hub of Mumbai with dedicated freight rail and roads. The quality infrastructure will be provided for industrial development in DMIC area. The base of the DMIC framework is the **Dedicated Freight Corridor Project (DFC)** which will construct dedicated freight rail between Delhi and Mumbai (total projected expenses: approximately 900 billion yen equivalent to Rs. 52,941 crores).

The Chennai Metropolitan Area has the largest population among the metropolitan areas in southern India, and is the political and economic center in that region. Also, as the gateway to Southeast Asia, the Chennai Metropolitan Area is vital for transportation and the flow of goods in the CBIC. The **Chennai Metro Project** will construct a mass rapid transit system in Chennai, which suffers from severe traffic congestion, and contribute to dramatically alleviate overcrowding on the roads in the area. Technical support for the operation, management and maintenance of the subway to be constructed by the project will be provided by the Delhi Metro Rail Corporation (DMRC) which has established a safe subway operation based on the technical transfer from Japan through JICA assisted ODA projects.

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**DMIC will be the largest industrial corridor in India, connecting industrial complexes and harbors in six states from the capital of Delhi to the commercial hub of Mumbai with dedicated freight rail and roads.**
Creating Infrastructure in Rural Areas for Poor

The State of Bihar is well known for its Buddhist sites, including Bodh Gaya, which is recognised as a World Heritage Site in 2002 and known as the most sacred place for Buddhism. Though Bihar is one of the most impoverished states in India and 53.5 percent of the State’s population lives below the poverty line (2010), it has achieved remarkable economic growth in recent years. With the economic development and increase in population, the number of vehicles in Bihar had increased from 1.02 million to 2.67 million from fiscal year 2002 to 2011. However, the road length per 100,000 people was only 125.85 km, in comparison to an average of 387.57 km for the entire India. Hence, under the Bihar National Highway Improvement Project, National Highway 83 will be widened into four lanes to meet the rapidly growing demand for road transportation.

In 1990, the accessibility of safe water in India was 90 percent in urban areas and 66 percent in rural areas. That had improved to 96 percent in urban and 84 percent in rural after decades, but the facility constructions cannot meet the demand due to the increasing population and economic development, so problems of water volume, quality and service are still remained. The West Bengal Piped Water Supply Project (Purulia) will construct water supply facilities to provide safe and adequate drinking water in Purulia District, State of West Bengal where there are chronic water deficiency and fluoride contamination issue of the ground water.

“Japan is India’s long standing friend and remains committed to socio-economic development of India. All the four projects will go a long way in meeting this objective. JICA in future too will continue to contribute for economic growth in India”

Shinya Ejima, Chief Representative of JICA India

<table>
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<tr>
<th>Project title</th>
<th>Amount (million yen)</th>
<th>Annual interest rate (%)</th>
<th>Repayment (years)</th>
<th>Grace Period (years)</th>
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<td>West Bengal Piped Water Supply Project (Purulia)</td>
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</table>
Dedicated **Freight Corridor** Project

Under this project, a dedicated freight railway will be constructed between Delhi and Mumbai (approximately 1,500 km), fully automated signals and a communication system will be installed, and equipment including locomotives for enabling high-capacity, rapid transportation will be provided. This freight rail is expected to save 35 hours of transportation time between Delhi and Mumbai. As this will meet the rapidly increasing need for freight transportation and improve the efficiency of the distribution network, it is expected that this project will make an extensive contribution to the economic development of India.

**Executing Agencies:**
Ministry of Railways/
Dedicated Freight Corridor Corporation of India Limited

Chennai **Metro** Project

This project supports the construction of a mass rapid transit system of approximately 45 km in total length in the Chennai Metropolitan Area in the southern state of Tamil Nadu. It is estimated that the metro will carry about 7 lakh passengers in 2015. By alleviating traffic congestion and reducing traffic pollution, this transit system will meet the increasing demand for transportation, and contribute to regional economic development and urban environmental improvement. In addition, it is expected that the switch from vehicular traffic to rail will reduce the emissions of greenhouse gases.

**Executing Agency:**
Chennai Metro Rail Limited
West Bengal **Piped Water Supply Project (Purulia)**

This project will construct water supply facilities to provide safe and adequate water supply to 1,250 residents in the Purulia District in West Bengal where there is chronic water deficiency and fluoride contamination issues in the ground water. The project will improve the health of people and their living environment. The project scope includes intake, water treatment plants, main transmission, pumps and reservoirs, as well as distribution networks. In addition, Institutional Capacity Development and Information, Education and Communication (IEC) programs will be implemented in order to operate and maintain the facilities at the community level.

**Executing Agency:**
Public Health Engineering Department, Government of West Bengal

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Bihar National **Highway Improvement Project (Patna to Gaya)**

NH-83 connects Patna to Gaya and at Dobhi meets NH-2 which is main highway connecting Delhi and Kolkata. Under this project, widening will be carried out along approximately 127 km of NH-83 and will also include construction of roadways, bypasses, bridges and service roads to meet the rapidly rising demand for road transportation in the state of Bihar. Upon completion, travel time between Patna and Dobhi is expected to be reduced from 3.4 hours (Yr 2008) to 1.6 hours (Yr 2016)

**Executing Agency:**
National Highways Authority of India
JICA and Confederation of Indian Industry (CII) jointly organized “5th Learning Convention” and “6th Annual session” subtitled “Building Intrinsic Competitiveness of Indian Manufacturing” for Visionary Leaders for Manufacturing (VLFM) project on 12th March, 2013. It marked the largest ever batch of 80 participants of Senior Manager Course of VLFM. At the occasion of closing the VLFM project in March 2013 for its 5 years and 7 months project period, Prof. Takahiro Fujimoto, Executive Director, Manufacturing Management Research Centre at Faculty of Economics, University of Tokyo, who is a global thought leader well known by his “Architecture Theory”, was invited as a special speaker from Japan. His speech was fully filled with implication for how to shape future policy of Indian manufacturing. The introduction of the book “Creating Visionary Leaders in Indian manufacturing”, which summarizes, lessons learnt and impact from the Project, was also delivered.

Along with this half-day Seminar, exclusive round-table with Prof. Fujimoto entitled “Next Wave of Indian Manufacturing” was also conducted. High-level officials from Government including Mr. Arun Maira, Member of Planning Commission and four Secretaries from Central Ministries, with Senior Managers from Industry joined in this interaction.

While JICA’s support for VLFM project has completed in March 2013, succeeding project named “Champions for Societal Manufacturing (CSM)” has been launched seamlessly (see next page). Based on the enormous success of VLFM, CSM project is expected to bring it to higher level of robustness and to expand new horizon to meet the societal needs.

Prof. Takahiro Fujimoto’s speech was fully filled with implication for how to shape future policy of Indian manufacturing
“Champions of Societal Manufacturing” Project
Launched: Focus Towards Sustainable and Inclusive Development of India

On March 15, 2013 JICA signed an implementing framework document of a new technical cooperation project with the Government of India in New Delhi on the “Champions for Societal Manufacturing (CSM)”.

The objective of the project is to strengthen the manufacturing sector in India and focus on the sustainable and inclusive economic and social development of India. The duration of the project is three years from April, 2013 to March, 2016.

The CSM Project will be implemented on the basis of the framework and outcomes of the VLFM Project. This will be upgradation of the VLFM programme in terms of both vertically in issues and horizontally in its robustness of its implementing capacity (see diagram upper right). CSM project consists of 4 sub-projects, namely, Bloom, 1000 SME, Clean Impact and Village Buddha. Project Bloom and 1000 SME intends to strengthen foundation of the program through the capacity development activities such as trainer training and institutional development. Other two sub-projects-Clean impact and Village Buddha-intend to expand coverage and to add extra perspective into ongoing course, such as environmental issues and developing manufacturing industries, to meet the changing needs of the society and industry.

By implementing the above-mentioned activities, this project will contribute to accelerating not only growth of manufacturing sector but also “inclusive” growth in India.

The objective of the project is to strengthen the manufacturing sector in India and focus on the sustainable and inclusive economic and social development of India.
Could you introduce your background and briefly describe activities under the project?

I joined JICA at the age of 47, after working in the industry for about 25 years. I had worked as the Training Coordinator for the domestic training courses in the first 2 years, then, I was dispatched to Thailand as the first Project Coordinator in 1992. Afterward, I worked as the Project Coordinator for nearly 20 years, in 7 Projects in 5 countries entirely. A JICA Project has its own conditions, i.e. country, culture, organization, counterparts, expert, etc., and has clear execution term, which means each Project has its own characteristic. On the other hand, it needs universal items for the successful implementation.

Through the past Project, I came to have the theoretical policy that the recipe of the management for the success of the Project would be to realize its characteristic and to harmonize it with the compulsory items of the management properly in order to obtain the maximum effect with the minimum investment in the targeted term. The work range of the Coordinator would be quite broad in the administrative and substantial area of the Project. In the practical work area, I came to have the policy through the past Projects that the role of the Coordinator should be to provide the eligible environment for the JICA Expert and Counterpart, together with Chief Advisor, so that they can carry on the planned activities along with PDM and Plan of Operation. Amongst the practical work, the accounting work is quite important because only the Coordinator is in charge of this work in the Project. The fund for the Project is from the government of Japan, then, careful treatment/management is requested.

Could you elaborate your role in the project and how do you see your contribution for the project activities?

After assuming VLFM, I was deeply moved to find that Prof. Shiba, Chief Advisor of the Project, teaches the counterpart to have the Third Eyes and to jump into the Fishbowl and jump out repeatedly so as to find the fact for better management. I felt that the said policies learnt from the past Project was admitted by the world-well known consultant of the management.

Then, I simply carried my work based on the said policies toward achievement of the Project Purpose. At the termination after 5 years and 7 months cooperation, VLFM came to achieve satisfactory results thanks to the excellent management of Prof. Shiba. Thus, the work at VLFM was really valuable opportunity in my Coordinator career since I was able to expand the knowledge and to brush up the skills of the management through the direct mentoring of the world-well known Professor.

How is your experience of working with counterparts?

The ownership of the Indian side was quite remarkable. The Indian counterparts positioned VLFM as the national project with the noble mind and strong willing to achieve the purpose. Accordingly, they were eligible to the national project with quite excellent and high graded ability and capability that I have never met in the past.

How do you see the opportunities and challenges of VLFM Project?

VLFM was the ideal Project that I have been longing to meet. There exists strong ownership of the counterpart, enthusiastic dedication of the JICA Experts, provision of the pilot phase before implementation, mutual collaboration between the government, industry and academia, strong supports by the stakeholders and concerned organizations in the both countries, timely execution, real satisfaction and appreciation to the both countries, etc.

Can you share any memorable moments during your stay in India?

Thanks to attachment to VLFM, I was able to meet the higher ranked officials of the Indian government and academia, and the famous entrepreneurs. Also it was my great pleasure to have mutual cooperation of Embassy of Japan in India.