



Date: February 1, 2021  
Draft: by Koji Yamada (JICA)

## Title “In Pursuit of a Sustainable Cotton Value Chain between India and Japan (II)”

### Study points

In this case study students experience a series of actions taken by a resident representative of a Japanese public agency. The representative received an inquiry from a Japanese social entrepreneur who wants to start up a new business in a frontier country for him where he has limited market information. Through this case discussion students are expected to be sensitized to the anxieties and uncertainties that foreign investors may feel when they consider foreign direct investment, or the launching of a new project, in social conditions totally different from their home country. They are also expected to think over the initial response of the public entity to the partnership arrangement, and the scenario of phasing out its commitment so that it could minimize the risk of over-dependency by the investor.

### Basic information

- Region: South Asia
- Issue: Role of a public entity in the project preparation of a private entrepreneur in a foreign setting for the investor
- Key words: Sustainable fashion, supply chain, social entrepreneur, partnerships, PPP
- Country: India
- Year: 2008-10

### Characters

Characters	Description
Yamada Koji (Main character)	<ul style="list-style-type: none"><li>● Senior Advisor to the Director General, JICA Research Institute, Tokyo, Japan.</li><li>● Former Senior Representative, Japan International Cooperation Agency (JICA) India Office, from July 2007 to June 2010.</li></ul>
Kasai Tatsuya	<ul style="list-style-type: none"><li>● <i>haco</i>. Team Leader, Felissimo Corporation, Kobe, Japan.</li><li>● Came up with an idea of connecting raw cotton producers in India and cotton textile consumers in Japan via the <i>Peace By Peace Cotton Project</i></li></ul>
Enoki Miki	New Project Formulation Advisor, JICA India Office.

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Characters	Description
Asai Yoshihiro, Mizoguchi Kazuhisa	Staff, Toyoshima & Co. Ltd., Nagoya, Japan
Hoshi Tadashi	Manager, Felissimo Corporation
Arun Ambatipudi	Founder, Chetna Organic (Indian NGO)
Brijesh Sampat	Partner, Shree Sanjay Trading Co. Ltd., Mumbai India
Vijay Kumar (anonymous)	Program Manager, Alternatives for Development (Indian NGO)

### Abbreviations

AfD	Alternatives for Development (Indian NGO, anonymous)
BPD	Business Partnership for Development
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
DFID	Department for International Development, United Kingdom
FCRA	Foreign Contribution Regulation Act
FDI	Foreign Direct Investment
JICA	Japan International Cooperation Agency
JPY	Japanese Yen
MOU	Memorandum of Understanding
NGO	Non-Governmental Organization
NPO	Non-Profit Organization
PACS	Poorest Areas Civil Society
PBP	Peace By Peace Cotton Project
PFA	Project Formulation Advisor
PPP	Public-Private Partnerships
PSD	Private Sector Development
SDGs	Sustainable Development Goals
SHG	Self-Help Group
USD	US dollars
WBG	World Bank Group

### Summary

The *Peace By Peace Cotton Project* (PBP) was initially launched by Felissimo Corporation of Kobe, Japan in 2008. Felissimo is a Japanese retailer of textile products mainly for girls in their teens to thirties. The project aims at forming a complete value chain of organic cotton involving cotton producers in the Odisha and Telangana states of India as well as consumers in Japan. In 2008, Felissimo started the project by selling their organic cotton products with a premium fund of 100 Japanese yen unit attached to the product sales through their existing catalogue retailing channel. The funds collected from their customers are pooled to the fund from which the PBP project could support the transition of Indian farmers from normal cotton farming to organic cotton farming. Felissimo could easily set up the fund pooling mechanism inside Japan. However,

it had to search for an agency that could facilitate the above transition process with local farmers in India. To connect its consumer/customers with producers, Felissimo started collecting information about India, but things did not go as smoothly as they had expected. As a last resort, Kasai Tatsuya, PBP project originator, contacted the Japan International Cooperation Agency (JICA) India Office and met with Yamada Koji, Senior Representative at his office in New Delhi. Yamada did everything he could think of to support PBP project preparation for Kasai, combining every possible tool he had at the JICA country office. After a series of intermediary actions, PBP project operations in India were finally launched in June 2010.

Immediately after the signing of an MOU between Felissimo and its local partner, Yamada completed his assignment as a JICA resident representative and left India, expecting that the PBP project would soon be independent without further public support. However, Enoki Miki, another JICA staff member who had also made a significant contribution to the PBP project preparation process and was left behind at the office after Yamada's departure, was concerned that the Japanese stakeholders around the PBP project still seemed to be dependent on the intermediary role that JICA could play.

**Key questions in reading this case**

The students, who will assume the position of working for a better investment climate for FDI in their home country, are required to come up with measures to remove the anxieties and uncertainties of potential foreign investors. The students are recommended to discuss the following:

1. What are the anxieties and uncertainties that foreign companies may feel when they consider a new business in your country? What are the concerns if the companies do not have a branch or liaison office in your country? What are the concerns if the companies are small and medium enterprises?
2. What are the roles or responsibilities that your government should assume to ease the anxieties and uncertainties of foreign investors?
3. If there is a representative office of the Japanese public sector in your country, such as the Embassy of Japan or a JICA overseas office, what roles and responsibilities do you think they should assume in responding to investors?
4. Once the project is launched by a foreign private firm, what do you think is the responsibility of that firm for the smooth implementation of the project? What should Yamada have made clear to Felissimo and Chetna at the signing of the MOU in this case? and
5. What is the best timing for public support to be phased out of the partnership framework? What do you think was the appropriate timing for JICA to phase out in this particular case?

## **1. A Sudden Call from the Private Partner - Three Years After the Project Launch**

One day in March 2013, Yamada Koji, then Senior Advisor to the Deputy Director-General at the JICA Research Institute in Tokyo, received an email from Kasai Tatsuya of Felissimo Corporation. Felissimo was one of the Japanese fashion apparel retailers, and Kasai was a project team leader of the PEACE BY PEACE COTTON (PBP) Project. Kasai asked if Yamada could spare time to meet him face-to-face.

While Yamada was stationed in New Delhi, India from July 2007 until June 2010, he collaborated with Kasai in the formulation and launching of the PBP Project, which was initiated by Kasai and designed to help Indian cotton farmers to successfully convert to organic farming. Even after he completed his assignment in India Yamada had been in touch with Kasai from time to time to hear about project updates. In his email, Kasai wrote that he would be accompanied by Mizoguchi Kazuhisa of Toyoshima & Co., Ltd. a Japanese specialized textile trading company. Kasai was based in Kobe while Mizoguchi had his main office in Nagoya. Although they both came to Tokyo very frequently on business, it was unusual for the two to jointly set the timing of their visits. They even said that it would be up to Yamada to say when and where he would meet them.

After inquiring about their accommodation, Yamada suggested that they meet him at 7:30 a.m. in a cafe near the JR Ichigaya Station.

Yamada lived in India as Senior Representative of the JICA India Office for three years from July 2007. While he resided there, he received visits from Kasai and came to know about his vision to transform cotton farming to be a happier and more sustainable practice by directly connecting the Japanese consumers to the Indian cotton producers. Yamada empathized with the idea of the PBP Project and supported Kasai's search for a local partner who could jointly implement the project. After Felissimo settled down with Chetna Organic as local partner, the two parties signed a Memorandum of Understanding (MOU) in June 2010. After witnessing their signing, Yamada left India for a new assignment in Tokyo.

This was before JICA became fully up to date with tools to facilitate Public-Private Partnerships. Yamada tried to respond to Felissimo by mobilizing all the tools available to JICA country offices before JICA established its Private Sector Partnership and Finance Department and introduced new finance facilities for the private sector to enable the initiation of feasibility studies on their new operations in a target country. The successful conclusion of the partnership agreement between Felissimo and Chetna Organic was one of the greatest achievements that Yamada could be proud of in his work in India. However, now back in Japan he was engaged in a new assignment, which was not relevant to his earlier achievements in India. He took over from his predecessor a portfolio consisting of a few research projects in Africa and Southeast Asia.

After the signing of the MOU, Chetna Organic was supposed to submit an approximately 20-page progress report to Felissimo on a bi-annual basis. For the first three reporting rounds, Kasai asked Yamada to help him translate the report into Japanese, and Yamada did it voluntarily. Because it was undertaken separately from his line of current business, Yamada spent his free time at night or on weekends on the translation. But Kasai stopped placing an order for voluntary translation by Yamada in the second half of 2012. Yamada thought that it was because Felissimo had deployed new staff who could read and write English.

Under the above circumstances, Kasai's meeting request came suddenly. As soon as Mizoguchi joined the meeting a few minutes late for the appointment, he and Kasai spoke straight to Yamada.

"JICA should not discontinue its commitment to the PBP Project," they appealed.

What is wrong with it? Yamada immediately asked himself. It's almost three years since the project launch. It has been long enough for Felissimo to have completed their institutional arrangements for project operations and to learn more about their partner in India. They had dispatched a project monitoring mission to India during the cotton harvest season every year, jointly with Toyoshima. Thus, the PBP Project should have been implemented smoothly without JICA's involvement. Yamada had been expecting that.

Therefore, their request was a thunderclap to him. Yamada tried to remember what he had done for the PBP Project, wondering where this expectation gap came from.

## **2. November 2008: An Earlier Email Inquiry to JICA**

On the afternoon of November 12, 2008, an email was sent to the representative account of the NGO-JICA Japan Desk at the JICA India Office. It was an email from Felissimo Corporation, Kobe, Japan, requesting a meeting appointment at the JICA office, which was occupying half the area of the 5th floor of the Lotus Tower, the one and only tower building in the New Friends Colony, South Delhi.

The sender of the email was "Kasai Tatsuya, haco. Project Leader, Felissimo Corporation." It was a short message on just one page of A4-sized paper. But still it was long enough to cover the company profile of Felissimo, his first field trip to India with the idea of the PEACE BY PEACE COTTON Project, and the difficulty he had been facing in the search for a local partner for project implementation. It also said that Kasai was already staying in Mumbai and it would be ready to travel all the way to Delhi to meet with JICA office staff.

Almost intuitively, Yamada thought that this might be a once-in-a-lifetime

opportunity to put his ideas on assisting business development into concrete shape during his assignment in India. He had already had an idea of responding to the demands for Public-Private Partnerships (PPP), by redefining the NGO-JICA Japan Desk as a desk for Japanese social entrepreneurs.

Immediately Yamada sent a reply informing Kasai that he would be ready to receive him on the morning of Friday, November 14.

### **3. Private Sector Participation in Development: Environment in the 2000s**

In April 2002, the World Bank released the Private Sector Development (PSD) Strategy (World Bank 2002). It emphasized that private initiative, unleashed in competitive markets, should be a key to promoting growth and poverty reduction, in parallel with public sector efforts. With this strong belief, it defined the role of the host government and international development partners as better public policy for enhancing the investment climate for the private sector. The World Bank had started promoting the development strategy before long that would directly support the poor. In this strategy, the Bank had also expected that PSD should be directly linked to poverty reduction.

However, the poverty reduction purpose also requires that institutional and policy improvements be extended to the areas where poor people live. Those areas often lack in attractiveness as a market for private sector. Therefore, the PSD strategy insists that in addition to the programs to reduce bureaucratic obstacles faced by small entrepreneurs and to provide property rights to poor citizens, direct support is sometimes appropriate for formal small and medium firms as well as entrepreneurs in informal settings. It is pointed out that direct support could complement investment climate improvements and help unleash supply responses.

With regard to the involvement of private sector, Jim Wolfensohn, then President of the World Bank, announced his new initiative in 1998 titled "Business Partnership for Development" (BPD 2002). This was a three-year initiative where development agencies, non-governmental organizations and private sector could come together and study, support, and promote strategic examples of tri-sector partnerships involving business, government and civil society working together for the development of communities around the world. It was also announced that the World Bank Group (WBG) would bring business sector and beneficiaries together and jointly promote partnerships to enhance development activity effectiveness worldwide.

Under this time-bound initiative, the WBG and the participating organizations identified four clusters (Natural Resources Cluster, Water and Sanitation Cluster, Global Partnership for Youth Development, and Global Road Safety Partnership) and combined practical actions on the ground to test the following hypotheses

(BPD 2002, p.5):

- Partnerships involving business working alongside civil society and the public sector can deliver better social development results than parties from any of the three sectors attempting the same interventions alone; and
- Tri-sector partnerships can deliver strong and measurable business results.

BPD came to an end in December 2001. BPD (2002) compiled the findings and lessons learned from the pilot implementation of the tri-sector partnerships. It summarized the partnering process at an operational project level in four stages. The skill sets and key tasks required to each partner were defined for each stage [Attachment 1].

In the first stage, the phase for partnership exploration, the BPD experience showed that internal champions within the partner organizations played a critical role in all focus projects for the four clusters. Partnership needs champions to carry the cause and sell the idea and process within their own organizations, amongst other partners, and to wider stakeholders (p.20).

In the second stage, the phase for partnership building, it was emphasized that time and effort must be dedicated to the building of mutual respect amongst partners. For partners that have not worked in partnership or with each other previously, the building of mutual respect would be a necessary first step. Partners need to agree on outputs and expected project outcomes, governance structures including decision-making process, and roles and responsibilities of each party. BPD (2002) pointed out that this process might be guided by the facilitation of a partner or a third party, or sometimes a development agency:

“Partnering can be initiated by any sector or by more than one organization at the same time. Multilateral and bilateral organizations can sometimes make an important contribution in convening partnerships. Facilitators can help build consensus and are fundamental to the partnership brokering process; their role can be performed by third parties or by one of the partners” (p. 4).

These initiatives of the World Bank Group were followed by other international organizations and bilateral development agencies. JICA, a Japanese development agency, also started working on their response to the emerging needs for public-private partnerships in the early 2000s. Their first outcome, JICA (2005), emphasized the role of a champion who could approach all the stakeholders and coordinate among them so that they could enter into the partnership successfully. Especially in the case of PPPs in developing countries, there was no consensus on who could play the champion’s role or promote and make arrangements for the partnership. It further recommended that in some cases, JICA itself should act as an arranger and be committed to the partnership proactively. For that to happen, JICA staff need to be loaded with knowledge and capacity.

Yamada was a chapter contributor to JICA (2005), when he was a manager at the JICA Institute for International Cooperation, the present JICA Ogata Sadako Research Institute for Peace and Development. He added the above recommendation to the report. What he wrote as a recommendation must be brought to practice at the ground level. When the report was released, Yamada thought that he should set a precedent as the next step that could demonstrate JICA's role in partnership building.

In July 2007, Yamada was assigned to India. It had taken him long time to make his dream come true as he had appealed to the Human Relations Department that he wanted to be posted to India for almost 10 years. It was just one year before JICA was merged with the concessional loan financing wing of the other Japanese development agency, the Japan Bank for International Cooperation (JBIC). Before the merger, the JICA office in India had been small and marginal with its operations size ranked 30<sup>th</sup> or below. However, throughout his career until then, he had met quite a few Indian researchers and NGO representatives. In addition, he had been fascinated by C. K. Prahalad's 2004 publication, *The Fortune at the Bottom of the Pyramid*. For Yamada, India was not only a country of ODA operations, but also a country of opportunities to learn good practices from grassroots innovations and expand his human network.

When he joined the JICA India Office, he had thought that the NGO-JICA Japan Desk could take on a role of arranging partnerships. Fortunately, he was assigned as the Deputy Representative looking after the Japan Desk. NGO-JICA Japan Desk was founded in 2004 to facilitate effective participation of Indian NGOs and Japanese NGOs/academic institutes and local governments for JICA's social development activities in India. With the above objective, one of the responsibilities of the Japan Desk was "to provide information on Indian NGOs as well as the social sector development scenario in India."<sup>1</sup> Their website also said that one of the services it would offer was "to support the activities of Japanese NGOs in India." Added to this clause was a footnote which said that 'Japanese NGOs' in this sense include other Japanese actors such as the private sector and universities. Yamada insisted that this footnote was inserted.

Yamada also made every effort to expand his network with Indian NGO/NPOs across the country so that JICA could always respond to the inquiries from Japanese NGOs. According to the Foreign Contribution (Regulation) Act of 2010, Indian NGO/NPOs who receive financial assistance from their overseas partners have to prove that the foreign currency transfer does not have any political motive and they have to register the receiving account with the central government.<sup>2</sup> The

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<sup>1</sup> NGO-JICA Japan Desk in India, <https://www.jica.go.jp/india/english/office/about/ngodesk/index.html> (Accessed September 23 2020).

<sup>2</sup> "The Foreign Contribution (Regulation) Act, 2010." 26<sup>th</sup> September 2010 [https://fcraonline.nic.in/home/PDF\\_Doc/FC-RegulationAct-2010-C.pdf](https://fcraonline.nic.in/home/PDF_Doc/FC-RegulationAct-2010-C.pdf) (Accessed October 1 2020).

number of NGO/NPOs holding FCRA accounts was more than 20,000. Almost every day, JICA India Office received letters from local NGO/NPOs requesting JICA's financial assistance. Yamada and his team tried to confirm the identity for each inquiry only to find that they did not have any substance in most cases. When they did not get any information about the NGO/NPOs, they would consult with the Indian NGO networks that had nationwide coverage.

#### **4. First Encounter**

On the late morning of November 14, 2008, Yamada received Kasai at the JICA India Office<sup>3</sup>. When he saw Kasai entering the guest room, Yamada was stunned by his looks. Kasai had long shaggy hair to the shoulder, wearing a moustache. Wearing very casual clothes, he looked like a total stranger in the government office quarter or financial business district. At least Yamada thought that he would never dress up that way when he visits government offices. Yamada smiled wryly and thought that the fashion apparel business was an unimaginable world.

Kasai had company. He introduced himself as Asai Yoshihiro from Toyoshima and Co. Ltd. The company's name sounded familiar to Yamada as Toyoshima was one of the major clients of the commercial bank he used to work in Nagoya before he decided to join JICA in the early 1990s. He had visited Toyoshima's head office together with his senior bank staff. What a coincidence, he thought. Feeling a strong affinity with the way they spoke, Yamada asked them about their hometowns. As expected, Kasai was also from the central region in Japan.

He could see how exhausted they were by their looks. They briefly explained about their first journey so far in India. They got stomach trouble one after another and came all the way to New Delhi from Mumbai unable to eat anything. However, while they travelled around Mumbai, they could enjoy all the hospitality extended by Shree Sanjay Trading and its business partners, which made all the arrangements for their domestic flights and land transportation. But now that they had left Mumbai and arrived in Delhi, Kasai and Asai had to catch a local taxi by themselves to reach the JICA office. It was their real first encounter with things Indian.

In agony, Kasai took out a copy of the latest issue of Felissimo's catalogue magazine from his bag, *haco.*, and a sample of organic cotton gloves *men♥te*, the first product of the PBP Project [Attachment 3 and 4]. Although he looked too exhausted to speak, Kasai explained to Yamada about the outline of the PBP project concept and the present challenges he was facing.

Yamada listened carefully to his brief introduction, and then began to speak about

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<sup>3</sup> For details about Kasai's first journey in India until he came to JICA in New Delhi, please read JICA (2020).

his own story. Since he joined the JICA India Office in mid-2007, Yamada had been deeply concerned about the number of suicides committed by Indian cotton farmers and wondered if there was anything JICA could do about this. Kasai's idea might help him to discover a clue to his agenda. However, Yamada continued, he was also skeptical about the idea of establishing a new NPO because he was not sure how long it would take to complete the registration to make it eligible for the FCRA account.

Instead, Yamada suggested that they should continue to look for a local partner that they felt could be trustworthy enough to receive grants in their FCRA account and implement the project in the field on behalf of Felissimo. If it also had its own project sites, it could just add new components or new area coverage with existing field staff. Then Felissimo could minimize the time to enter into the project operations in the field.

Thus said, Yamada enlisted two more channels to identify a potential local partner in India. The first possibility was an NGO network in Japan. He knew the executive director of the network personally. The executive director was one of the pioneers of Japanese NGOs for international development and seemed to have connections with local NGOs and NGO networks in Asia. In some cases, he directly collaborated with his partners in the development operations in Asia. He also once said to Yamada that he had cooperated with Indian partners. Yamada said that Kasai could keep on searching for an Indian partner via this Japanese NGO network even after he went back to Japan.

"I visited him before I left Japan. Here I have his business card with me. I can introduce you to him," Yamada said to Kasai.

The second possibility was to consult with the Indian network of NGOs, which had connections with local NGO/NPOs across the country. They might have knowledge about the NGO/NPOs primarily working for the transitional support to cotton farmers to organic farming in some states.

Yamada also knew another Japanese NGO primarily working for the organic cotton farmers in India. It was an NGO advocating worldwide for the liberation of children and their families from child labor, and the main focus of their advocacy was on cotton farming in India, insisting that their production was made possible by the mobilization of child labor and forced labor. He was not sure how they would respond to Kasai's plan, and so he told Kasai that he would not introduce him to this NGO. Even so, Yamada added, once Felissimo had launched the PBP Project with an Indian partner, they should closely see if there was no practice of child labor mobilization.

"Otherwise, you would face severe criticism back in Japan," Yamada warned. It was a moment that the child labor factor was first brought up in the PBP project framework.

“I myself will try to find the NGO/NPOs that have something in common with your project concept.” Yamada concluded the meeting with Kasai and Asai by saying, “I am quite optimistic that we could come across a number of activities in India aiming at supporting organic farming or universal education.”

Kasai and Asai left the JICA India Office. After the meeting with Yamada, Kasai had three options:

- (i) Felissimo creates a new operational NPO in India;
- (ii) Felissimo looks for an Indian local partner via the Japanese NGO network; and/or
- (iii) JICA India Office looks for an Indian local partner for Felissimo.

After the meeting at the JICA India Office, it was lunchtime. Before they left JICA, they heard Yamada’s advice that there was a Japanese restaurant, *Tamura*, in the New Friends Colony Market. As recommended, Kasai and Asai went to the restaurant and ordered *soba*, Japanese buckwheat noodles. It was the first Japanese dish they had eaten since they left Japan for this journey in India. It was a great relief to them.

## **5. JICA’s First Response - Country Profile on Organic Cotton Production in India**

As soon as he saw off Kasai and Asai, Yamada contacted Vijay Kumar (anonymous) of the Alternatives for Development (AfD, anonymous). AfD was one of the major NGO networks in India, and Vijay was the manager for program development. Whenever Vijay saw Yamada at a public event, he approached Yamada and said that AfD would like to collaborate with JICA. For Yamada, however, this was a call that was hard to respond to. In those years, JICA had no formalized framework within which it could enter into a direct contract with local NGOs for the delivery of technical cooperation. Now that he needed their knowledge and experience, Yamada started wondering if JICA could commission a wide-area survey to local NGO networks.

In fact, AfD was the most prominent NGO network in India and was undertaking the implementation of a small grant program for grassroots activities, widely known as PACS (Poorest Areas Civil Society), funded by the UK Department for International Development (DFID). PACS was designed to support the grassroots activities of local NGO/NPOs in 1,084 blocks of 108 districts, in the six poorest states in India. AfD was entrusted with fund management by DFID. It received proposals for small grants from grassroots associations, assessed them and decided whether they should be approved or not. And, even if the proposal was not approved or not developed initially, AfD implemented a capacity-building program for the grassroots NGO/NPOs to enhance their capacity to develop bankable grassroots projects in the near future. Yamada thought that AfD could

be in the best position to know who's who at the grassroots level in some states.

On November 26, Yamada saw Vijay at his office in Vasant Kunj, South Delhi. Yamada briefed him on the background of his visit, showing the offprint of *haco.*, the catalogue magazine of Felissimo. Vijay was positive at first, but he admitted that AfD itself did not have any knowledge about organic cotton farming.

"We need some time for fact-finding until we are ready to come up with and present to you a framework of cooperation," Vijay said to Yamada. He further insisted that AfD conduct a field survey to identify the target areas and scope of activities.

"Give us 10 days. Then we can write up a proposal for the fact-finding survey," Vijay said.

Yamada felt positive after the meeting. Upon getting back to his office, he started the budgeting process for the survey, writing a request for approval for the release of funds from the operational budget pool for the NGO-JICA Japan Desk. The Japan Desk had received lots of inquiries from Japanese NGOs or CSOs (Civil Society Organizations). Most of them did not have liaison offices or local partners in India. When they thought of opening up a new operation in India, all they could do was a desk survey in Japan combined with a field visit having a limited time and budget. What if the Japan Desk could respond to their demands and provide information about local NGO/NPOs accordingly? JICA could further facilitate citizen-to-citizen cooperation at the grassroots level. Yamada wrote this in the budget proposal as the expected benefits of this fact-finding survey.

After the due process, the contract for the survey was signed in late January 2009, and the three-member team of AfD immediately started to work on the development of a "Country Profile on Organic Cotton Production in India." The team members visited various stakeholders and cotton producers on their doorsteps in different parts of the country.

Their survey was comprehensive enough to cover various aspects of organic cotton production in India: history; geographical distribution; overview of policy and institutional framework; organic farming practices taken in the field; description of transition process to organic; inspection and verification procedure; a literature review of past research; and the list of research institutes working for organic farming. The team also collected information about the organic cotton projects implemented in the past or currently on-going in different areas of the country, together with the details of the implementing agencies as well as their contacts.

The AfD's list of the organic cotton projects covered Bio-Re India and Chetna Organic. These were also the agencies initially caught in the desk survey that Tsunekawa Takeshi of Toyoshima & Co., Ltd. Had conducted in Japan in the

summer of 2008<sup>4</sup>.

While JICA took the first step in their search for a local partner in India, Kasai also started the next action back in Japan in line with the meeting at the JICA India Office. In December 2008, Kasai visited Tanaka Michihiro (anonymous) at his office. Tanaka was the executive director of the Japanese NGO network Yamada had introduced to Kasai.

Tanaka was very positive about Kasai's request for advice on a local partner in India. "I personally know the Union Minister of Agriculture in India. You can launch your project in less than a year," he boasted.

Since his first visit to Tanaka, Kasai waited for a feedback from him for a month. Then in late January 2009, Kasai received an email from Tanaka in which he insisted that he himself should also conduct a field survey in India and so requested budget support to do it. He further said that it would take JPY 5 million (USD 50,000) for him to conduct a survey in a comprehensive manner.

Kasai thought that this option was deadlocked. Felissimo had already started selling off *men♥te* via the *haco*. catalogue magazine. However, the current fund accumulation from *men♥te* sales was just JPY 1.7 million (USD 17,000), far less than the requested budget for field survey. "No way. This is not acceptable," Kasai said to himself.

While the option with the Japanese NGO network had reached a deadlock, AfD's survey went on as scheduled, and their final report was submitted to JICA in late March. It was written in English. Although he was not sure whether it was read by the PBP project team in Felissimo, Yamada decided to forward the report immediately to Kasai. After the unsuccessful correspondence with Tanaka, Kasai had been feeling hopeless again. The last option, establishing a new NPO by themselves, was kept pending for a few months at Shree Sanjay Trading.

It was under these circumstances that Kasai suddenly received the report from JICA in India. It was an unexpected development on the Indian side. Although the report was written in English and he was unable to read it rapidly, it helped Kasai to feel things were rolling, little by little.

For JICA, however, sharing the organic cotton report with Felissimo alone was not enough. It might cause them to be blamed for benefiting a particular private firm. To minimize the risk, Yamada thought of disclosing the report to the public. He decided to translate the report into Japanese and post it as JICA's publication on the website of the NGO-JICA Japan Desk.

He outsourced the English-Japanese translation to a professional service via the JICA Headquarters. The first draft was submitted to him by the end of May. He

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<sup>4</sup> For the details about Tsunekawa's desk survey of 2008, please read JICA (2020).

spent the next whole month editing the first draft, and both the Japanese and English reports were ready for publication on the various websites in early July.

## **6. Staffing and Site Reconnaissance**

In addition to the publication of the organic cotton study report, Yamada also addressed the staffing issue. Fortunately, he was allowed to add a new staff member under his command to primarily focus on project formulation and monitoring in the area of citizen-to-citizen cooperation. The selection process went smoothly, and three candidates were shortlisted for the job as Project Formulation Advisor (PFA).

Final interviews took place in mid July 2009. In addition to two selection committee members from JICA Headquarters, Yamada was also present at the interview from India, via videoconference. After three interviews the selection committee agreed that Enoki Miki, staff at a Kyoto-based NPO, was the best candidate for the PFA position. She had studied sociology at Jawaharlal Nehru University in South Delhi.

Upon receiving the result of her job interview in late July, Enoki started preparation for her new assignment in India. Yamada contacted her immediately and informed that she would be in charge of PBP project preparation. He advised her to go through the organic cotton study report and then meet with Kasai at the Felissimo head office in Kobe for a briefing about the project outline and the progress of project preparation on the Felissimo side. Having completed all the due processes, Enoki left Japan and arrived in Delhi on the evening of September 29, together with her family.

In early October, Yamada and Enoki heard from Kasai that Felissimo had shortlisted Chetna Organic and Prathiba Syntex as a potential partner to work with in the implementation of the PBP Project, based on information provided by JICA in the organic cotton report. Chetna was an NGO while Prathiba was a corporate entity.

Although it had still been just a few days since she joined the JICA India Office, Enoki lost no time in communicating with the two shortlisted organizations, AfD, and Felissimo. Kasai further informed her that the 2<sup>nd</sup> project preparation mission from Felissimo and Toyoshima would be visiting India in early December. Kasai wanted to narrow the potential partners down to one candidate after they observed the field activities of the two. Enoki thought that she had better go and watch their field activities in advance and planned her official field trip in November.

From November 23 to 25, Enoki went out for a site reconnaissance to Chetna Organic in Hyderabad, then Andhra Pradesh, and to Prathiba Syntex in Indore,

Madhya Pradesh. At both offices she started with a brief introduction to officials about the project concept and outline and the way JICA had been incorporated in the project framework. Then she explained the thematic priorities that Felissimo would like to address in the PBP Project. Kasai had indicated these to her before she went out for the trip. They were:

- (i) Promotion of organic farming practices;
- (ii) Ensuring farmers' children access to education (to prevent child labor); and
- (iii) Giving opportunities for higher education in the areas of organic farming and environmental studies, in terms of scholarships for farmers' children.

Kasai had also indicated to Enoki in advance a few criteria for Felissimo to use to select a project partner, and she interviewed the officials of the two candidates accordingly. His criteria included: production volume of organic cotton, no child labor practice, feasibility of a supply chain to the market in Japan with Shree Sanjay Trading of Mumbai as an intermediary merchant (Toyoshima's business partner), and so on.

After the reconnaissance, Enoki concluded that both organizations had been proactively working on the research and development of organic cotton farming methodologies and were very active in promoting cotton farming among the local farmers. She thought that both of them had been working very closely with the local farmers and well understood what was happening in the field.

Their staff seemed very familiar working with foreigners. Both the administrative staff in the head office and the field staff in the project area seemed to have no problem communicating with visitors in English. Both organizations had excluded the possibility of child labor, urging their farmers to have their children access to school education.

Enoki further visited and interacted with local farmers working with the two organizations in the field. The farmers in the two different areas both insisted that there should be a scholarship that could help high-performing children of the villages to advance to secondary and then to higher education. Both of the farmers preferred opportunities for secondary and higher education to primary education because it would place a huge financial burden on poor households if they bore all the expenses themselves. No matter whose children they were, if high performers were provided with an opportunity for higher education, they would grow up to be a community asset and the whole community would benefit from them in the future.

Although both Chetna and Prathiba were competent enough as a partner for Felissimo, Enoki also observed difference in the way they worked with organic cotton farming. Chetna was an NGO working on the improvement of the farmers' livelihood as its primary objective. It aimed at the health recovery and income

generation of the farmers by promoting organic farming not only for cotton, but also other farm produce. Its primary target was small and marginal farmers and many of them were landless. Chetna was extending small but targeted support to those farmers in the bottom. As for the prevention of child labor, they were integrating it in their daily operations as well as making and distributing posters for awareness-building of measures against child labor. The Chetna field officer, who accompanied Enoki in her interactions with Self-Help Group (SHG) members, seemed to know not only the names of all the SHG members, but also the number in the family in each SHG member household. He knew which children needed a scholarship to advance to higher education, and he seemed to have visited the villages in his constituency frequently enough. Enoki thought that under these circumstances, there would be limited space for farmers to resort to child labor practice.

In contrast, Prathiba Syntex was a corporate entity and its primary target was the medium-sized landholding farmers. Prathiba was promoting advanced farming methodologies via farmers' cooperatives. While they were watching the volatility of the production volume, they were working on the enlightenment of their farmers. Prathiba was eager to develop and improve organic manure, trying to disseminate the information they got from their operations in the demonstration center and model farms to the contracted farmers. Product-wise, they were specializing in organic cotton and their trade volume of organic cotton was far bigger than Chetna.

Meanwhile, Enoki had requested AfD to accompany her in her reconnaissance to Hyderabad and Indore. But they were slow to respond from the planning stage. They even replaced the accompanying staff with another at the last minute, and the new staff had nothing to do with the organic cotton study which AfD had undertaken from JICA. Enoki had doubt about their seriousness. AfD further recalled the accompanying staff after their visit to Chetna and didn't send any replacement to her visit to Prathiba. Enoki travelled to Indore by herself.

Initially Yamada had been considering the idea of having AfD manage the PBP fund granted by Felissimo. In a similar way to the institutional framework of PACS, AfD was supposed to receive funding proposals from grassroots NGO/NPOs, decide on disbursements, monitor the implementation, collect progress reports from the grassroots, and then report back to Felissimo on an annual basis. After Enoki's back-to-office report, however, he started wondering if he should still keep AfD in the project framework. While AfD was not so trustworthy, both Chetna and Prathiba were found to be competent enough to meet all the requirements for PBP funding. "Felissimo could directly release the PBP fund to either of the two," Yamada thought.

## **7. Felissimo-Toyoshima Team Returns to India**

### **(1) AFD**

From December 4 to 10, 2009, a four-member team visited India from Felissimo and Toyoshima. From Felissimo, Hoshi Tadashi joined Kasai. Hoshi had experience as a task team leader of the company's CSR project commonly known as the Elephant Forest Project in Jharkhand, India. From Toyoshima, Asai was joined by another staff from the material procurement section of the company. Brijesh Sampat of Shree Sanjay Trading of Mumbai, Toyoshima's business partner in India, was scheduled to join them in Hyderabad.

On the first morning in India, December 5, Yamada and Enoki met the Felissimo-Toyoshima team at a hotel in Vasant Vihar, South Delhi. After a short briefing about the schedule and logistics, they took the team members to the AfD office in the same district. Vijay Kumar and the three study team members received the Japanese delegation.

Yamada had expected AfD to brief the delegates on what the study team observed in the program areas of Chetna and Prathiba. But Vijay and his team went further and started a presentation to propose a project framework placing AfD as a fund manager. Their presentation seemed to have forgotten about the fact that Felissimo had already shortlisted only two candidates and would eventually settle down with just one local partner. But AfD proposed an online system that the Japanese donor could see which grassroots organizations were implementing what kind of activities in which sites; how much was disbursed for how many farmers; how the farmers were benefiting; and what the current situation of organic cotton crops was. These real-time data were attached to the locational data. Once they clicked one location on the map, they could see what was happening in the project site, even from Japan.

It was an unexpected proposal even for Yamada and Enoki. The Felissimo-Toyoshima team members seemed almost at a loss how to respond to it. Yamada pulled himself together and asked Vijay, "So, how much does it cost you to run the system year-round?"

"25 lakh rupees," Vijay answered. It was approximately JPY 5 million (USD 50,000).

All the Japanese delegates chilled. Unlike PACS funded by the grant from the UK government department, the PBP was a much smaller project. "We have so far collected just JPY 1.7 million for project funding. It is stupid to spend JPY 5 million for the system development," Kasai spoke to himself.

The AfD side seemed to have noticed the chill and then started losing interest in the PBP Project without disguise. Similarly to what happened in Enoki's site reconnaissance the previous month, AfD suddenly shortened the time for their staff to accompany the Japanese delegation in the field, and then pulled him out of the mission after the delegates completed all their schedule in Hyderabad.

## (2) Chetna Organic

After the unfruitful discussion at the AfD office, the Japanese delegates flew from Delhi to Hyderabad. As soon as they checked in at a hotel in the late evening, they were welcomed by Arun Ambatipudi, founder of Chetna Organic, and Rama Krishna, Program Officer. All moved to an Andhra food restaurant for dinner.

The word *chetna* meant “awareness” in Hindi, and Chetna Organic was a Non-Governmental Organization (NGO) founded to serve primarily for awareness on organic farming. Targeting small and marginalized farmers, they were trying to enhance their livelihood options by promoting organic farming in a participatory manner. Arun used to work at an international NGO, Lutheran World Service. Building on the experience at LWS, he launched Project Chetna in 2004 together with two co-founders.

In his project, Arun approached small and marginalized farmers and encouraged them to form SHGs (Self-Help Groups) for organic farming. Then the project led the SHGs to form an apex body, Chetna Organic Farmers Association (COFA), as a self-governing association of the farmers on their own. When the project was launched in 2004 in Andhra Pradesh (now North Telangana), it started with just 230 member farmers. As of the date of their meeting, the project had been expanded to cover South Orissa (now South Odisha) and COFA was run by more than 6,000 member farmers. In the project, the farmers were producing 800 metric tons of organic lint cotton annually. They were not producing organic cotton only for the trade with Chetna. In total, the areas had a capacity to produce 1,200 metric tons. Chetna had a headquarters in Hyderabad. When the Felissimo-Toyoshima team visited Chetna, there were 11 hired staff in the headquarters as well as 30 staff in the field.

The next day was a Sunday. But the Japanese delegates and Chetna senior staffs gathered at the Chetna office at 11:30 a.m. and spent the whole day discussing the PBP project partnership. Kasai explained the project concept and answered questions from the Chetna side. Arun explained that Chetna had two target areas: Utnoor of Andhra Pradesh (now Telangana) and Kalahandi of Orissa (now Odisha). After a series of interactions between the two parties, Arun finally proposed that Chetna would like to receive support from the PBP Project for their Kalahandi program.

Day 2 with Chetna was initially reserved for their field trip to Karimnagar, 145 KM northeast of Hyderabad, one of Chetna’s intervention areas in Andhra Pradesh. However, it was the date that supporters of the Telangana Independence Movement declared a state-wide *bandh*, road blocks, to demonstrate their influence. They had been advocating the independence of the Telangana region from the State of Andhra Pradesh. It was dangerous to make a land trip along the state highway. The Japanese delegation and the Chetna team decided to cancel their field trip and chose to have another round of consultation at the Chetna office.

On their way to the Chetna office from the hotel, the Japanese delegates witnessed a huge group of motorcyclists coming roaring on the opposite lane blowing horns loudly. It was one of the demonstrations by the pro-independence group.

The main focus of the consultation that day was on Chetna's capacity: organization, management structure, the activities supported by other donors including international NGOs, fashion brands and corporate entities, and so on. It took longer than they had expected, but the Japanese delegates could confirm that Chetna was competent enough to receive and manage foreign funds and implement grassroots programs with them.

### **(3) Prathiba Syntex**

The delegates moved to Indore, Madhya Pradesh, on the evening of the same day. They flew from Hyderabad to Mumbai first and then transited to a flight to Indore. In the early next morning, they left the hotel by minibus and went for two hours on a field trip to Prathiba's cotton clusters. While they visited a few different cotton fields, they had a group interview with the members of farmers' welfare association and visited other places of interest including a school construction site and a demonstration center of compost and liquid manure. These had been implemented as part of Prathiba's Project called *Vhasuda*, or "Earth Project." It was their first exposure to the organic cotton clusters in this trip since the delegates came to India.

In their field visit, Enoki proved the effectiveness of her capacity to communicate in Hindi. She could talk to farmers and Prathiba's field staffs directly and collect information. Yamada could also understand to some extent what the villagers talked about. But when it came to speaking to villagers, Yamada could not make himself understood in Hindi so effectively. He relied heavily on the translation by the guide dispatched by Prathiba Syntex.

While they were interacting with the people they met in the Prathiba cotton clusters, both Yamada and Enoki noticed that some delegates were not trying to listen carefully to the people they visited. It was a common phenomenon when they travelled in a big group. But the delegates who were left behind in the interviews did not try to catch up, and the others didn't try to share what they heard. They all walked around as guided by the Prathiba staffs.

To fully understand the reality of the target village, JICA staff have to take time talking directly to the villagers, not to the accompanying project staff, by asking them a series of answerable questions to facilitate the interaction. We have to find the facts we want from the words and behaviors of the villagers. We have to come up with such skills --- Yamada and Enoki had long been working in a culture where development practitioners were supposed to take a comprehensive look at the target community so that they could minimize the risk of causing divides in

the community by their intervention.

Contrary to such attitudes of the development workers from JICA, the delegates from the corporate sector acted as if they had targets. As soon as they arrived in the *Vhasuda* project sites, they went straight to the cotton fields, the farmers working on cotton harvesting, and their children. They spent most of their time in the fields taking photos for their websites and catalogues. They were looking for photogenic objects. White puffy cotton balls, farmers picking up the cotton balls, and school-going children were the ones chosen. But the daily steady preparation for organic farming and agricultural products other than cotton were not attractive objects for their customers.

When they interviewed cotton farmers, they enthusiastically asked many questions related to cotton cultivation:

“What is the total area under cotton cultivation?”

“How many laborers are you hiring for cotton harvesting?”

“What is the seed price? And how many quintals of cotton can you produce in the total area of your farmland?”

“What do you do with cotton after harvesting?”

“Where do you bring your produced cotton?”

“In which circumstances do you have your children help you in cotton cultivation?”

In many cases, it was the Prathiba staff that answered their questions without translating them to ask the farmers in the local language.

During their field observation, they came across villagers in a settlement and elderly women living in an old age care center. The visit of strange-looking foreigners was big news for a remote village. Many villagers came out of their houses to see what was going on. The conversation with those villagers about the general topics other than cotton was initiated by the two representatives from JICA. Small village kids were brimming with curiosity and coming closer to the delegates. They became a nice object for photo-taking. At the group meeting with the farmers' welfare association members, the delegates did not ask any question no matter if they were asked to by the Prathiba staff. They had no idea about what to ask. Yamada and Enoki tried to break the silence asking questions according to their own perspectives.

“Are they interested only in the components they are going to support in their project?” Yamada was getting anxious.

After the field visits, they moved to the head office of Prathiba Syntex in Pithampur. They were welcomed by Om Anand Sharma, CEO and head of the procurement division. Since its foundation in 1997, Prathiba had grown up as a general textile manufacturer. They also launched the Project *Vhasuda*, in which they extended support to organic cotton farmers with due consideration to the social impact on the rural community. They strictly maintained the principle of achieving both business and development objectives. They had already had business relationships with European brands and NGOs. Prathiba had an excellent vision and track record as a beneficiary of the PBP grant, the delegates thought.

“Targeted support means you are segregating the target group from those who are not targeted. Do you take this seriously?”

Enoki cast this message to the Felissimo-Toyoshima team when the delegation came back to Indore and went out for dinner. According to the human security concept, which JICA had been posting in their mission statement, if we looked at a targeted group, we had to look at the other groups as well and consider the measures to prevent our intervention from creating another divide in the community. Yamada was of the same opinion as Enoki.

Many of the delegation members from Japan replied, “I never thought of this until you pointed at it.”

On the next day, December 9, they took a morning flight from Indore to Mumbai and then moved to the head office of Shree Sanjay Trading to have a review meeting. Kasai said to other members that he had decided to place Chetna Organic as a priority to further discuss the partnership. He also declared that he would leave it up to Chetna on which area they would choose as a project site between Andhra Pradesh and South Orissa. He also added that he would request Chetna to submit a project proposal to Felissimo. But since Felissimo did not have the capacity to write an official letter in English, it was agreed that JICA would prepare the first draft letter and send it to Felissimo so that it could be printed on their official business letterhead and then sent to Chetna Organic. It was also agreed that the option with Prathiba would be left open for the time being until they were sure about Chetna.

## **8. MOU as a Goal or MOU as a Beginning?**

Finally Kasai narrowed down his option to the partnership with Chetna Organic. After their second field trip, the Felissimo-Toyoshima team visited India again in April 2010, taking time to visit the proposed project area in the Kalahandi district of South Orissa. Even though it was early April, India was approaching the peak dry hot season of the year. The temperature hit as high as 40 degrees Celsius in Delhi every day, and also in the hills of Kalahandi. The Japanese delegation undertook site observations in spite of severe sunlight, a cloud of fine dust, and

spicy local food. For this trip, Enoki coordinated between Felissimo and Chetna, and accompanied the Japanese delegation to South Orissa.

After their observation in the field, Kasai and his teammates finally decided to start PBP-funded activities in Kalahandi.

During their third field trip to India, Kasai asked Enoki to stay in between Felissimo and Chetna to facilitate correspondence between the two. Although the discussion on the terms and conditions of the partnership agreement was primarily the matter of the two parties, it was the first negotiation he faced in English. Also, a direct telephone conversation would cause him a heavy psychological burden. Enoki agreed, with the concurrence of Yamada, her immediate manager.

Besides mobile phones, email was the only tool for communication in those days. But the representative of Chetna Organic, Arun Ambatipudi, had been extremely busy and a hard person to reach, responding to too many different requirements imposed by his customers in Europe and the United States. No matter how urgently Kasai wanted a reply mail, Arun's response came late. Every time there was a delay, Enoki came in to catch him and urge him to respond to Kasai immediately. She first tried to call him at the Chetna head office. Even if the receptionist said that Arun was not there, Enoki asked for Arun's schedule. When she knew he was on board in a domestic flight to Delhi, she tried to catch him by mobile at the time he switched on his mobile upon arrival in Delhi, and then she went to his place to talk to him face-to-face.

When the Felissimo-Toyoshima team visited India in April 2010, Yamada had already received the indication of his next appointment back in Tokyo in June. He let Enoki accompany the team in Orissa alone and then facilitate communication between the two parties for the preparation of the Memorandum of Understanding (MOU).

"How long should I continue to provide convenience to Felissimo?" Enoki asked Yamada a few days before the signing date of the MOU. He had been busy packing up all his belongings to be ready for his departure.

According to the partnering process at the operational project level described in BPD (2002), this partnership had come to the second phase, "Partnership Building." JICA had assumed a role of "champion" and facilitated the partnering process to reach the second phase. Once the two parties signed an MOU, the partnership would advance to the third phase, "Partnership Maintenance," where each party should take actions to enhance their operational and institutional capacities to lead the project to the goal [Figure-1].

"Felissimo is going to implement the PBP Project as part of their profit-making activities. It should be their responsibility to assign a staff who could communicate with Chetna in English and read the progress reports Chetna submits in the

future,” Yamada answered.

No matter if the PBP has a mechanism that the consumers in Japan could be directly connected to the ultimate producers in India, someone has to be in between to grasp the situation in the field, compile information, and share it with their customers in Japanese. Even if they would start with focusing only on the direct beneficiaries of PBP grant at the initial stage, soon their attention would be widened to cover the whole environment surrounding their primary target groups.

“We could look at the signing of MOU as our goal,” Yamada concluded.

He had looked at the partnership agreement as a goal to achieve during his assignment in India. This partnership was to be achieved, not by applying JICA’s institutionalized schemes, but through his voluntary initiative. If it had been in the other countries, Felissimo might have faced different reactions from the JICA country office. Once he left the JICA India Office, his successor might not be so supportive because it was a story of the past and the project was independent already. Now that Felissimo had connection with Chetna, we should let them communicate directly as much as possible.

## **9. Inseparable Relationship Even After the MOU**

Yamada left India in late June 2019. But his personal friendship with Kasai continued. As mentioned earlier, Yamada helped the project by voluntarily translating a Chetna report more than once. When Yamada became a visiting professor at a university in Kyoto and taught development planning, he asked Kasai to come as a guest speaker in one class and speak about the PBP Project.

Enoki remained at the JICA India Office as Project Formulation Advisor as her contract with JICA was still current for more than a year. In spite of Yamada’s last message, the new partnership for the PBP Project was still in its infancy and she was forced to stay engaged in the implementation of the project. However, there was a consensus inside the JICA office that official support to the PBP Project was over with the signing of the MOU. Every year in the cotton harvest season, Felissimo and Toyoshima planned a mission to India. Almost all JICA staff thought that the issues about logistics including scheduling and domestic travel arrangements, agenda-setting for consultations with Chetna, and the preparation for the checklist for the field visits, should all be handled by Felissimo.

But the reality was different. Watching the awkward communication between the two partners, Enoki thought that it would be too early to leave them alone. Every time she met with the delegation from Japan, she coordinated schedule arrangements and joined the mission, ending up by saying, “This is the last service I can give. Next time please do everything yourselves.” But she had to repeat this practice every year. She somehow convinced her manager about

making her field trip to South Orissa an official one. But she did not spend her official working hours coordinating for the PBP Project. She did all in her free time.

“How long are you going to be engaged in the PBP Project?” Enoki had always been feeling the pressure from inside her office.

As if they did not know what was happening inside the JICA India Office, the delegates from Japan did not change their behavior in the field. Once they arrived at the project sites, they looked for photogenic objects to be featured on their websites and other media and tried to attach a beautiful story to the photos. They let Enoki interview Chetna staff and schoolteachers and double-check the project outputs of the year described in their annual report. She checked the description of the report, including the total crop area of cotton and the number of farmers who declared that they would shift to organic farming. She collected these key performance indicators by herself for the Felissimo delegates.

When the Felissimo delegates interviewed local farmers, they let the Chetna staff stop the farmers from talking, and they allowed Chetna to appeal that they had recorded such excellent performance in the current year. Sometimes the Chetna staff did not allow their farmers to speak up in front of the corporate representatives. Enoki insisted that they should talk directly to the farmers. However, the Felissimo delegates swallowed the stories the Chetna staff explained. They rarely double-checked Chetna’s explanation by interviewing the farmers themselves.

Meanwhile, she was impressed by the way the Felissimo delegates reacted when it came to the topics concerning business finance and logistics. They dramatically shifted to an upper gear and initiated a serious business talk without interpretation by Enoki. They looked like real business people. They looked so cool:

“It seems that they always think that every man knows his own business best and try to see if they could establish the division of labor between the project stakeholders. They may insist that they should specialize in doing business and making profits to sustain the business model. But when it comes to project designing, project preparation, implementation, monitoring and evaluation at the grassroots level, they seem to insist that the development specialists like us should play a key role.” (Enoki)

Yamada also heard this argument from Kasai and Mizoguchi at the cafe in Ichigaya, Tokyo.

“What’s wrong with the way we have done the project?” Yamada asked to himself again and again.

[END]

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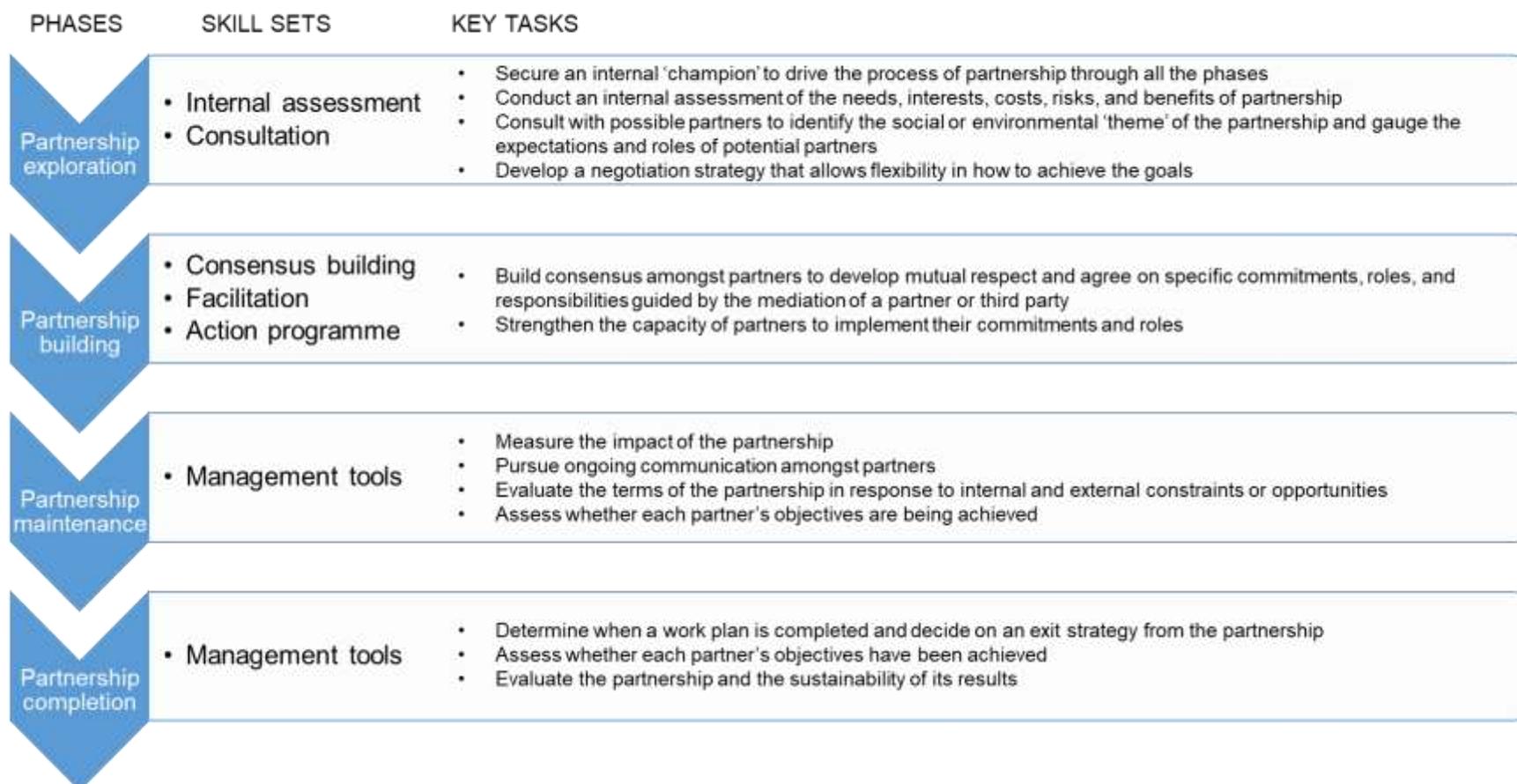
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### **Attachments**

1. The Partnering Process at an Operational Project Level;
2. Practical Tools to Explore, Develop, and Maintain a Partnership;
3. *haco*.- Felissimo’s catalogue magazine;
4. *men♥te*”;
5. Travel Map of the 2<sup>nd</sup> Felissimo-Toyoshima Delegation to India in December 2009;
6. Travel Map of the 3<sup>rd</sup> Felissimo-Toyoshima Delegation to India in April 2010;
7. Draft MOU between Chetna Organic and Felissimo Corporation;
8. Overview of PEACE BY PEACE COTTON Project; and
9. Chronological Table of the Felissimo and PEACE BY PEACE COTTON Project.

Attachment 1:

# The Partnering Process at an Operational Project Level



Source: BPD 2002.

**Attachment 2:**

## Practical Tools to Explore, Develop, and Maintain a Partnership

PHASES	TOOLS
Partnership Exploration	Terms of Reference: The terms of reference documents enable all potential partners to undertake a systematic assessment of the risks to them and the opportunities presented by working in partnership to address social issues.
	Work plans to guide the partnering process over a period of months
	Terms of References prepared to find suitable partners
Partnership Building	Methodology for building consensus amongst partners
	Memorandums of understanding and joint work plans reached amongst partners
	Training modules in the following skills: internal assessment consultation and communications, consensus-building facilitation, and management tools. The modules are tailored for the oil, gas, and mining sector.
Partnership Maintenance	Guidelines for Monitoring and Learning Lessons from Tri-sector Partnering: general checklists for recording process and analyzing the consequences of partnerships
	Partnership Indicators: considerations for the creation of a set of indicators tailored to specific partnership to measure the effectiveness of partnering
	Training modules to build the participants' ability to move a partnership from an outline agreement to practical implementation. It covers tools for three types of activities: work planning, impact/benefits monitoring, and adaptation to change
	Methodology for Measuring the Impact of Tri-sector Partnering: a detailed methodology for evaluating the effect of partnering on business, sustainable development, and governance in the extractive industries
General	Case Studies (detailing the process and outcomes of tri-sector partnering)
	Practitioner Notes on: Emphasizing education and awareness in partnership; Improving cost recovery through partnership; Making innovation work through partnerships in the water and sanitation sector; Analyzing the interface between regulatory frameworks and partnership; Perceptions of Partnership

Source: BDP 2002.

Attachment 3: haco.- Felissimo's catalogue magazine



Copyright: Felissimo Corporation.

Attachment 4: "men♥te"



Copyright: Felissimo Corporation.

**Attachment 5: Travel Map of the 2<sup>nd</sup> Felissimo-Toyoshima Delegation to India in December 2009**



**Attachment 6: Travel Map of the 3<sup>rd</sup> Felissimo-Toyoshima Delegation to India in April 2010**



**Attachment 7: Draft MOU between Chetna Organic and Felissimo Corporation**

**MEMORANDUM OF UNDERSTANDING  
BETWEEN**

**1. FELISSIMO CORPORATION**

59 Naniwa-machi, Chuo-ku, Kobe

*Hereinafter referred in this document as "Felissimo"*

**AND**

**2. FORUM FOR INTEGRATED DEVELOPMENT**

Project: CHETNA ORGANIC

3-4-876, Flats 102 & 103, Damayanti Enclave, Bus Depot Road, Barkatpura

Hyderabad (AP) India - 500027

*Represented by: Mr. Arun Chandra Ambatipudi (Executive Director)*

*Hereinafter referred in this document as "FFID/Chetna"*

This Memorandum of Understanding (MOU) is agreed upon and entered into by the two parties (as mentioned above) on the 01 of July 2010 on the following terms and conditions.

1. WHEREAS, Felissimo agreed to establish and enter into an effective and synergistic partnership with FFID/Chetna for the implementation of three year (36 months) project in the tribal region of South Western Orissa.
2. AND WHEREAS, FFID has submitted a detailed proposal in this regard to Felissimo through Japan International Development Agency (hereinafter referred as "JICA") office in New Delhi.
3. AND WHEREAS, both parties shall agree with the following key details related to the project.
  - a. *Project Title: "Peace-by-Peace Cotton Project" (and executed as part of the larger Chetna program in India).*
  - b. *Purpose/Objectives:*
    - i. *Transitional support for the small & marginal tribal farmers engaged in cotton cultivation in rainfed conditions, and that can enable smoother transition of these farmers from in-conversion to organic;*
    - ii. *To promote education among the children of these farmers and also wage labor.*

- c. **Project Area:** South-Western region of Orissa and in the Chetna project areas in Kalahandi & Bolangir districts (Blocks: Golamunda, Bhawanipatna, Lanjigarh and Titlagarh).
  - d. **Project Beneficiaries:** Small & marginal rainfed cotton farmers, wage labors, and their family, predominantly from the tribal communities located in South-Western region of Orissa.
  - e. **Project Duration:** In principle for 36 months (July 2010 till end of June 2013) with yearly renewal system/procedure in place.
  - f. **Grant Funding:** JPY3,000,000/year.
4. AND WHEREAS, both parties shall agree with and to fulfill the following roles and responsibilities.
- a. **FFID/Chetna: Principle Implementing Partner**
    - i. to receive the foreign funds and take concrete action to support the project beneficiaries;
    - ii. to undertake such activities as proposed in the proposed budget(1).
    - iii. to seek prior written consent/approval from Felissimo and /or any responsible person nominated by Felissimo in case it sees a need for any unforeseen expenditure deviations;
    - iv. to submit narrative reports as under:
      - 1. *Three brief quarterly reports per year, on or before: 15<sup>th</sup> October, 15<sup>th</sup> January and 15<sup>th</sup> April;*
      - 2. *One yearend detailed narrative report with an audited financial information report;*
      - 3. *These reports shall be separated for: (a) transitional agricultural support and (b) education support.*
    - v. to carry forward unspent fund/grant from the previous year;
    - vi. to support all evaluation procedures and field visits by Felissimo and /or its nominated representatives.

***b. Felissimo: Support Partner & Donor***

- i. to raise funds equivalent to JPY3,000,000/year for the said project;
  - ii. to transfer and /or release the funds to FFID/Chetna in two installments per year;
    1. 50% at the time of signing of the agreement (MoU) in June/July for year-1 (2010);
    2. to transfer balance/remaining 50% funds in January after receipt of the quarterly narrative report and /or the mid-term progress report;
    3. The conversion/exchange rate (JPY vs. INR) as on date of transfer/s and or release of funds from Felissimo to FFID/Chetna shall be applicable.
  - iii. to engage in and support project evaluation through holding prior consultation with FFID/Chetna and reaching agreement on a suitable date/time;
  - iv. to provide information to FFID/Chetna on the renewal or lack of it (for any unforeseen reasons), atleast 3 months before the the start of the following year/s;
5. AND WHEREAS, for whatever unforeseen reason, the parties do not see a need for future collaboration, the same shall be communicated by the parties to one another at least 3 months in advance.

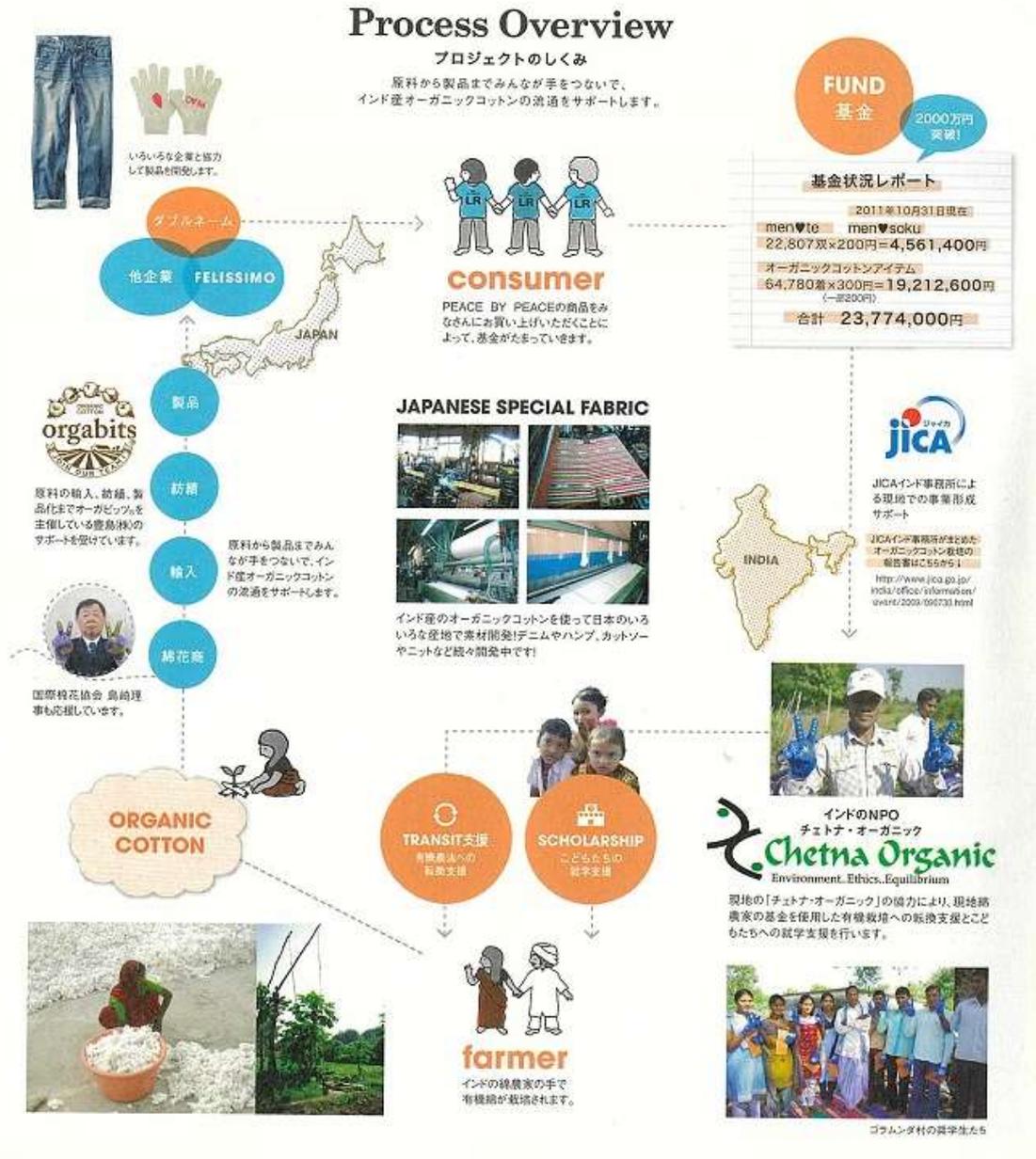
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Organization: FELISSIMO CORPORATION

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Signature: \_\_\_\_\_  
Name: ARUN CHANDRA AMBATIPUDI  
Title: Executive Director  
Organization: FORUM FOR INTEGRATED DEVELOPMENT

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Attachment 8: Overview of PEACE BY PEACE COTTON Project



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**Attachment 9: Chronological Table of the Felissimo, JICA and PEACE BY PEACE COTTON Project**

	<b>Felissimo / PBP COTTON Project</b>	<b>JICA and Int'l Community</b>
1990s	- Kasai enters Felissimo (April 99)	- World Bank launches Business Partnership for Development (BPD) initiative (98)
2000		- World Development Report 2000 "Attacking Poverty"
2001	- <i>NUSY</i> launching (May) - <i>Love and Peace</i> launching (December)	- Terrorist attack on World Trade Center (Sept. 11) - War in Afghanistan (October) - BPD ends (December)
2002	- <i>Love and Peace</i> Campaign (September 11)	- World Bank releases Private Sector Development Strategy (April)
2003	- <i>NUSY PEACE BOOK</i> published. - <i>Sign Love</i> T-shirts launching (March)	- US air raid on Iraq (March) - Yamada is assigned to JICA-IFIC (October)
2004	- <i>haco.</i> launch (May)	- Yamada leads PPP study at IFIC
2005		- IFIC releases PPP study report (March)
2007		- Yamada is appointed as Sr. Rep. for JICA India Office (July)
2008	- <i>haco. EXPRESS ROOM, men♥te</i> , PBP project launching (August) - <i>men♥te</i> is featured in the <i>haco.</i> catalogue (October) - Felissimo-Toyoshima team visits India (November)	- Yamada receives Felissimo-Toyoshima team at JICA India Office (November)
2009	- Felissimo gives up with a Japanese NGO network (Jan.)  - Kasai meets Enoki at Felissimo, Kobe (September) - Felissimo shortlists two NGOs as candidate for partnership (October) - 2 <sup>nd</sup> Felissimo-Toyoshima delegation to India (December)	- JICA completes Country Profile Study on Organic Cotton Production in India (March) - Release of Cotton Report (July) - Enoki is selected as Project Formulation Advisor (July) - Enoki joins JICA India Office (September) - JICA receives 2 <sup>nd</sup> Felissimo-Toyoshima delegation to India (December)
2010	- 3 <sup>rd</sup> Felissimo-Toyoshima delegation to India (April) -	- JICA receives 3 <sup>rd</sup> Felissimo-Toyoshima delegation to India (April)

	<b>Felissimo / PBP COTTON Project</b>	<b>JICA and Int'l Community</b>
	- MOU with Chetna Organic (July)	- Yamada leaves India (June) - JICA witnesses MOU (July) - Yamada joins JICA Research Institute (July)
2011	- PBP Project receives Good Design Award (November)	
2013	- PBP Project receives 2012 Social Products Award	

Source: Made by Author.

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Reference: Japan International Cooperation Agency. 2021. "In Pursuit of a Sustainable Cotton Value Chain between India and Japan (II)." JICA-IUJ Case Material Series. Tokyo.