

July 1, 2023 (Da Nang)

Motonori Tsukushino

『A Retrospective of the History of Vietnam-Japan Relations and Toward the Future』

～Evaluation of Japan's ODA to Vietnam and Issue～

Thank you for inviting me to today's conference.

I was the Director of JICA Vietnam from 2008-13, and retired from JICA 8 years ago, but was continuing to work for friendship between Japan and Vietnam since then. I have been close friends with Mr. Sam, Chairman of the Board of Trustees of Dong A University, since he was Director of the Foreign Affairs Bureau of the Da Nang People's Committee. I have always admired Mr. Sam's enthusiasm for expanding the network with Japan.

One of the board members of the Japan-Vietnam Kansai Friendship Association, of which I am the president, has started a cooperation with Dong A University to train caregivers for Japan. Five students have already interned at a nursing home in my hometown, Wakayama Prefecture, and I hope that they will continue to work in Japan after graduating from the university.

The need for talented Vietnamese personnel is increasing as Japan's population declines and ages. In many fields, such as nursing, IT technicians, and the automotive industry, overseas human resources are in demand. While local governments, universities, and companies across Japan are deepening international exchange, Vietnam is by far the most popular country.

My home prefecture of Wakayama, located south of Osaka, is known for its thriving agriculture and fisheries, historical heritage, beautiful sea and hot springs. The prefectural governor is planning a delegation to visit Da Nang by direct charter flight from Wakayama's Shirahama Airport to Da Nang at the end of July. I heard that many companies and university officials will participate, and that a job fair will be held for students from Dong A University and other universities. I look forward to deepening our friendship with everyone.

Japan resumed ODA in 1992, ahead of other countries, based on the conclusion of the Indochina Peace Treaty, and has consistently been the largest ODA donor. This year marks the 50th anniversary of Japan-Vietnam diplomatic relations as well as the 30th anniversary of ODA.

Let me conclude first. ODA to Vietnam is one of the most successful examples among developing countries in the world and provides a model for emerging and developing countries to follow. This is an international evaluation, not only by Japan, but also by the World Bank and the Asian Development Bank.

After World War II, Japan underwent economic reconstruction, and as the only developed country in Asia focusing on contributing to peace and development in Asia. Based on reflections on the war, ODA reflects the desire of the Japanese people to "occupy an honorable place in the international community," as stated in the preamble of the Constitution of Japan.

You may not know this, but China and South Korea are the biggest beneficiaries of Japanese ODA, absorbing Japanese technology and building infrastructure with Japanese funds, following Japan. The country has developed rapidly and is now a major player in the global economy.

Thailand, Indonesia, and the Philippines are also priority countries for Japanese ODA, followed by China and South Korea. Like Japan's postwar period, Vietnam's ODA started about 20 years later than these countries, as its land was devastated by years of war, and it was internationally isolated due to its problems with Cambodia. However, because of efforts to make effective use of ODA while drawing on the experiences and lessons learned from the countries that preceded it, Vietnam achieved economic growth and poverty reduction at the same time through an improved investment environment and went from being one of the poorest countries to a middle-income country in about 15 years after the resumption of ODA.

There were many difficulties, such as land expropriation, resettlement, and international bidding required before infrastructure projects, which took too much time to implement, troubles over payments to companies, and even corruption problems, however, in the transition from planned economy to a market economy, it was unavoidable that it took time to develop the systems and human resources to meet international ODA standards. I would like to express my respect for the efforts of all parties involved, including the Vietnamese government, Japanese and Vietnamese companies, experts, and researchers, who worked hard to overcome these difficulties.

Japan's ODA to Vietnam, including financial and technical cooperation, totals approximately 3 trillion yen to date. The three priority areas are ① promoting economic growth, ② addressing fragility and ③ strengthening governance, and the Government has supported infrastructure development, which is the foundation for nation-building, through financial cooperation (yen loans), while also supporting healthcare for instance through grant aid and human resource development and policy through technical cooperation (As of the end of FY2021: 27,842 billion yen in yen loans, 95.8 billion yen in grant aid, and 1,784 billion yen in technical cooperation)

The ODA focused on the areas around Hanoi in the north and Ho Chi Minh City in the south, but also place emphasis on the central region (Da Nang area) for the integrated development of Vietnam, and actively supported transport infrastructure, especially that which contributes to the 'Mekong Connectivity' (East-West Economic Corridor).

The most representative ODA projects are the construction of the Hai Van Tunnel and the improvement of the port of Tien Sa. In recent years, the highway between Da Nang and Quang Ngai has been mentioned.

- The Hai Van Tunnel, the first road tunnel in Vietnam and the largest in Southeast Asia, was completed in 2005 with a yen loan of about 19 billion yen. The economic benefits of the tunnel go without saying.

- The project to improve the port of Danang (Tien Sa) was financed by a yen loan of about 10.7 billion yen and was completed in 2005, the same year as the Hai Van Tunnel. Along with the improvement of port facilities and equipment, the access road to National Highway was improved, including the construction of the Tien Son Bridge. The Port of Da Nang is expected to contribute not only to Central Vietnam but also to the entire Indochina region. The Hai Van Tunnel is also important for the East-West Economic Corridor as well as for eliminating bottlenecks in Vietnam's north-south transportation.

(Hai Van Tunnel) 6,280m long (the longest in Southeast Asia). Before the tunnel was completed, it took more than one and a half hours to pass through the pass, which is a long and difficult road, but thanks to the tunnel, it takes less than 10 minutes.



(Danang Tien Sa Port) A hub port in central Vietnam and an international port for the Indochina Economic Corridor.



On the other hand, JICA's technical cooperation has supported the Central Region Port Master Plan and the Da Nang City Urban Development Master Plan, and in recent years, JICA has also assisted in the planning of the Lien Chieu Port Development Plan. In the field of medical care, JICA has provided grant aid and technical cooperation to Da Nang Hospital and Hue Central Hospital for many years.

The feature of Japan's ODA is this comprehensive cooperation that includes funding and technology, hardware and software, and human resource development. The areas covered range from infrastructure, such as transportation, transportation, and electricity, to healthcare, education, market economy policies, institutional improvement, and human resource development. Another feature of this project is that it has been continuously expanded over the past 30 years, and the

level of the project has been upgraded in line with Vietnam's development. As a result, Vietnam is now capable of constructing roads, bridges, ports, and harbors on its own, thanks to progress in technology transfer and human resource development, including project planning, supervision at the implementation stage, and post-completion management. In terms of financing, Vietnam's reliance on ODA funds has declined and is expected to make progress in public-private partnerships (PPP).

For example, the second tunnel of the Hai Van Tunnel, as well as the Deo Ca (Ca Pass) Tunnel, were funded by Vietnam and built by Vietnamese companies that had gained experience and absorbed technology from the Hai Van Tunnel. Although JICA assisted in the planning of Lien Chieu Port, construction of the first phase of the project began with Vietnam's own budget, and Vietnamese companies were contracted to build the project. Advanced Japanese technology was also used in the construction of the breakwater.

Before coming to Da Nang, I visited Hai Phong. In Hai Phong, the improvement of National Highway Route 5 between Hanoi and Hai Phong and the Haiphong Port were progressed in the 1990s as a yen loan project immediately after the resumption of Japanese ODA in 1992. In the 2010s, when I was working as the director of the Hai Phong office in Vietnam, the first-phase project to build a new deep-water port called Lach Huyen Port off Hai Phong Port was launched. The yen loan supported the foundation of the two berths, while cranes and other equipment and port operations were completed in 2018 through private investment. I would like to particularly mention here that, following the first phase supported by ODA, the project to construct the two berths as the second phase is now proceeding as a project of Hai Phong Port Company Limited, the operator of Hai Phong Port, and not as an ODA project. Staff who learnt about port operations through Japanese ODA projects are now senior executives in the company.

In addition, an expressway between Hanoi and Hai Phong was completed in 2015, following improvements to National Highway 5. An expressway connecting Hai Phong and Ha Long was also completed in 2018, both of which were built with private funding rather than ODA. In the area surrounding Lach Huyen Port, a large industrial park was completed by Hai Phong City and private investment, and companies from Japan, Korea, China, and Taiwan are investing in the area. A model of graduation from ODA can be seen in Hai Phong, where the port's development has been funded by the private sector and not by ODA, and where the port's development has been supported by the private sector. I hope that the development of Da Nang Lien Chu Port will follow this experience.

In the difficult global situation, such as the competition between the U.S. and China, Russia's invasion of Ukraine, etc., the role of Vietnam, located at the center of the ASEAN-Mekong region, is becoming more and more important as a strategic partner of Japan and from the perspective of the "free and open India-Pacific," and the field of cooperation is expanding into the security field. The significance of Japan-Vietnam cooperation is no longer in the form of ODA to developing countries, but in the form of cyclical cooperation as equal partners. It is hoped that cooperation will help solve mutual problems by taking advantage of each other's strengths and complementing each other's weaknesses.

I would like to list three areas of expected cooperation.

The first is quality infrastructure.

Japan's technology and experience in disaster prevention will be utilized in the areas of higher-level infrastructure, such as urban railroads, high-speed railroads, and disaster-resistant national land resilience, which are appropriate for the stage of Vietnam's transition from a middle-income country to a developed country.

Second is the area of advanced human resource development.

As mentioned at the beginning of this speech, with Japan's declining birthrate and aging society, there are great expectations for young Vietnamese talented human resources in the fields of medicine, nursing care, nursing, and advanced IT human resources in Japan.

Throughout the 2010s, JICA cooperated with the establishment of a new IT department at Hanoi University of Science and Technology and supported the study of Japanese at Keio University and Ritsumeikan University in Japan for talented students who also studied Japanese. Many of the graduates have gone on to work for Japanese companies, and a growing number have started their own successful IT software companies. In presentation in the morning, Dr. Luc introduced the history of cooperation between Dong Kinh Gijuku and Keio University, studying abroad in Japan in the IT field can be described as a modern "Dong Du movement. I would like to ask Chancellor Sam of Dong A University to introduce excellent Vietnamese students to Japan, especially to my hometown, Wakayama Prefecture, as well as to Osaka and other parts of Kansai. This is our request as the Japan-Vietnam Kansai Friendship Association.

Finally, the third area is, as Dr. Tran Van Thu also mentioned in his keynote speech, cooperation between Japan and Vietnam to help other developing countries that are trying to follow Vietnam's lead. There are many countries that are interested in and want to learn from Vietnam's experience. In the Mekong region and Africa, China's presence is expanding through its "One Belt, One Road" initiative. I think it will become increasingly important for Japan and Vietnam to cooperate and show a better development model.

Did you all know that Maputo, the capital of Mozambique in Southern Africa, has a "Ho Chi Minh Ave". Along with Ho Chi Minh, General Vo Nguyen Giap is also respected.

Before I became Director of JICA's Vietnam Office, I was in charge of cooperation in Africa and promoted cooperation in the international economic corridor from Mozambique to Zambia via the landlocked country of Malawi. The corridor has the same relationship with the East-West corridor connecting central Vietnam to Thailand via Laos. The Mozambican government was interested in the Vietnamese experience, so it sent a delegation from Mozambique to Danang, and Japanese and Vietnamese experts visited Mozambique to introduce Vietnam's experience in infrastructure development and investment promotion. Also, after I became Director of JICA, a Vietnamese agricultural expert participated in JICA technical cooperation for an irrigated rice project in Mozambique together with Japanese experts, they provided guidance to Mozambicans. I think there is great potential for this kind of triangular cooperation between Japan

Japanese ODA to Vietnam was delayed about 20 years from the mid-1970s, when Japan began to expand its ODA to Thailand. Based on the results and development of 30 years of ODA, Thailand established the Thai International Development Cooperation Agency (TICA) in 2005, almost 20 years ago now, to support neighboring countries JICA, Since the establishment of TICA, JICA has cooperated with its operations by dispatching Japanese experts. It is a valuable partner for South-South cooperation. Korea has KOICA and Malaysia has MICA. I understand Vietnam has also traditionally emphasized friendly relations with the Mekong countries and Africa and has provided various types of cooperation. Now, I think it is time to consider creating a "VICA" in Vietnam as well.

Japan resumed its ODA to Vietnam in 1992, exactly 30 years after Japan resumed its ODA to Vietnam. Japan has been in economic stagnation for the past 30 years, but while the ODA budget has been halved from its peak, ODA to Vietnam has continued to expand. This was based on the conviction that Vietnam would eventually become an important partner of Japan, an investment in Vietnam's future, so to speak. I hope that Vietnam will live up to our expectations, and together we will consider how we can contribute to Japan and to the world together with Japan.

I conclude my presentation with the hope that we can move forward toward a new era of cooperation by combining the wisdom of Japan and Vietnam. Thank you very much for your attention.

(End)