

**PROJECT ASSISTANCE COMPLETION REPORT**

**Project Title:** Private Sector Energy Development  
**Project Number:** 936-5738  
**Funding Period:** FY 1991-1992  
**LOP Funding:** \$49,004 grant  
**Implementing Agency:** George Washington University  
**PACD:** January 31, 1993

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**I. PURPOSE**

The purpose of the Project was to fund an unsolicited proposal from the U.S./Japan Economic Agenda (USJEA) at the Elliott School of International Affairs, the George Washington University. The grant was the first phase of a program designed to achieve a better understanding of the environmental and energy (E & E) decision processes of the Japanese Government. Specifically, the grant funded a workshop in Seattle, Washington for the presentation of 12 papers by development practitioners, six each from Japan and the U.S. The workshop was to identify areas of competition and possible coordination between U.S. and Japanese companies doing E & E related business in the developing countries of Asia.

**II. BACKGROUND**

Historically Japanese research institutes have only worked with Japanese government and industry groups. The Japanese Global Industrial and Social Progress Research Institute (GISPRI) in the Ministry of Trade and Industry (MITI), co-sponsor of the E & E workshop, does not have a similar U.S. government counterpart. The USJEA/MITI alliance was founded to provide better mutual understandings of E & E policy-making processes in the respective countries, to further U.S.-Japan relations, to facilitate greater contacts in the private sectors of both countries, to provide a format for non-official policy-making cooperation, and to educate the officials of each country through conferences, book publications, and media participation.

The Project, originally co-funded by S&T/EN and PPC/PDPR, was transferred to the Bureau of Private Enterprise (PRE) in FY92. The George Washington University contributed \$16,000 to the cost of the E & E workshop. The workshop was co-sponsored by A.I.D., USJEA, and GISPRI.

### **III. SUMMARY OF INPUTS AND ACCOMPLISHMENTS**

The Private Sector Energy Development project was originally authorized in FY 1992 for one Fiscal Year. The PACD was extended to FY 1993 to give the Japanese participants an extended period of time in which to prepare and finalize their papers. The workshop was held September 10-13, 1992. The Final Report was submitted to A.I.D. in December 1992.

Although the Project was initially to generate 12 papers, 6 each from Japanese and U.S. development practitioners, 10 papers were actually presented at the workshop, five from each country:

"Historical and Social Background of Japanese Environmental Issues" by Katsumi Saruta

"U.S. and Japan Decision Making in Energy and the Environment A Comparative Study" by Chester L. Cooper

"Current Environmental and Energy Policy Making Processes in Japan" by Hiroaki Fukami

"U.S. Environmental Policymaking: Institutions and Processes Which Prevent Consensus" by Robert L. Paarlberg

"What Lessons Have Japan and the U.S. Learned from Previous Bilateral Efforts on Energy and the Environment?" by Ken'ichi Odawara and Kaname Saruya

"Past Experiences with Energy and Environment Cooperation Between the U.S. and Japan" by Roger LeGassie, Warren Donnelly and Lawrence Scheinman

"The Private Sector in Environmental Policymaking in Japan" by Mikoto Usui

"The Failure of the U.S. Environmental Decision-making Process; Will a Better Way Emerge?" by Roger W. Gale

"Opportunities and Priority Areas of U.S.-Japan Cooperation" by Shuzaburo Takeda

"Priority Areas and Opportunities for Cooperation: Innovation for Environment, Energy and the Economy" by Robert W. Rycroft

There were 16 U.S. and 10 Japanese workshop participants, Richard Bissell, the A.I.D. Assistant Administrator for Research and Development gave the opening speech (the text of which is attached to the Final Report), and the workshop participants visited the Weyerhaeuser Corporation's Rochester Forest Regeneration project. The 10 papers presented at the workshop are also part of the Final Report.

#### **IV. DEVELOPMENT IMPACT**

There was not an immediate developmental impact derived from the funding of the George Washington University unsolicited proposal which became the Private Sector Energy Development project.

#### **V. LESSONS LEARNED**

There were six primary "lessons learned" from the Project:

a) Non-government and non-corporate entities are best for the development and implementation of environment projects because there are no direct political or economic interests involved. Additionally, NGOs and other Not-for-Profits are more likely to realize the "plus sum" outcomes of E & E programs,

b) Commercial competition between Japan and the U.S. has reduced cooperation for E & E programs in developing countries,

c) U.S.-funded NGOs should be encouraged by A.I.D. to implement joint energy and environmental studies and activities with counterparts in developing Asian countries,

d) U.S.-funded NGOs should be encouraged to work with Japanese-funded NGOs to influence Japanese government policy-making,

e) E & E projects that are jointly- and multilaterally-funded should be developed because this will promote international contract completion,

f) Japan budget surpluses and clean air technology expertise should be combined with the positive image the U.S. has earned for delivering technical assistance to implement E & E projects in developing countries.

#### **VI. CONTINUING RESPONSIBILITIES**

There are no A.I.D. continuing responsibilities for the Private Sector Energy Development project.



U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

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July 7, 1993

MEMORANDUM TO MICHELLE SCHIMPP, POL/CDIE/DI

THROUGH: Monica E. McKnight, Acting Director, PRE/EM *PRE/EM*

FROM: Cameron M. Weber, PRE/EM *Cameron M Weber*

SUBJECT: Project Assistance Completion Report: Private Sector  
Energy Development (936-5738)

Please find attached the PACR for Project Number 936-5738

*9365738*

cc: AA/PRE (Acting) John Wilkinson  
PRE/EM, Russell Anderson  
PRE/DP, Ray Van Raalte  
PRE/DP, John Gelb  
PRE/DP, Henry Merrill

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