JICA’s Operation for India’s Prosperity and Mutual Understanding/Trust - Significance and Value -

ICRIER Webinar on 26th March, 2021

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Attachment
I. Why Japan / JICA...?
Why Japan / JICA...?

• (JICA’s supporting project) will act as a huge **social and psychological change** act
  -- it **changes the mindset** of Indians, and **shares the art of excellence, safety, punctuality and perfection**.

• Donald Keene, US Professor at Columbia University, announced his decision to become a Japanese citizen. He said, “If any civilisation has **constantly suffered tragedies and always bounced back, it is Japan**. It is because they believe in **discipline, team work and perfection**. I want to live with these people. I want to die with these people.”

• It is this uniqueness which Japan brings to India (through JICA’s project). **It can catalyse Indian to transform** itself.

by Mr Amitabh Kant. CEO, NITI Aayog

(Extracted from the ET (Sep 2017), and slightly adjusted for readers by Sakamoto)
Long-term India-Japan Relations

Historically Amicable & Strong

- **Introduction of Buddhism** to Japan from India.

  In 752, an Indian monk Bodhisena (बोधिसेन) performed eye-opening of the Great Buddha at Tōdai-ji Temple, Nara Prefecture, Japan.

- In Meiji Era, **India's cotton** stimulated the textile industry development in Japan. (Up to 10% of import amount from India in the end of Meiji Era.)

- In 1948, at the International Military Tribunal for the Far East in Tokyo after WWII, Indian Justice Radhabinod Pal became famous for his fair judgement.

- In 1951, then Prime Minister Jawaharlal Nehru refused to attend the San Francisco Peace Conference from a broader perspective, and at the time of establishing official diplomatic relations in 1952, India waived all reparation claims against Japan tolerantly.

- **Indian iron ore** supported the steel industry development in Japan (Up to 30% of import amount from India in 1960.)
Recent India-Japan Relations

- Both established **Special** Strategic and Global Partnership.
- For India, Japan is the **largest** donor of official assistance.
- For Japan, India is the **largest** recipient of ODA Loan support.

- **1952.4** Diplomatic relations (**70th Anniversary, 2022**)
- **1958** Japan's first ODA Loan in the world extended to India.
- **2000.8** "Japan-India Global Partnership in the 21st Century"
- **2005.4** Japanese PM Koizumi visited India. Annual based PMs mutual visits started.
- **2006.12** "Joint Statement Towards Japan-India Strategic and Global Partnership"
- **2014.9** "Tokyo Declaration for Japan-India **Special** Strategic and Global Partnership“

>>> Innumerable coming and goings, meetings, interactions, etc. **between high dignitaries.**

**Special Following Wind for More Robust Ties !!**
II. JICA’s Mission (QG & HS)

Case1 : Social Innovation
Case2 : Value Adding
Case3 : Private Mobilization
JICA’s Mission

(1) Quality Growth (QG)
for Prosperity
with More Jobs, More Investment, etc.

- Sustainability
- Resilience
- Inclusiveness

(2) Human Security (HS)
“No One Left Behind”
e.g. Health, Env., Social Protection

- Vulnerability
- Disparity
- Capacity Dev.
Safe, Timely, Comfortable Move for Better Life
- Human-Centered Investment –

- Safe : Safety consciousness (in construction/operation stages)
- Timely : High reliability of punctual public services
- Comfortable : vulnerable-users-friendly universal designs based on Indian culture and life style

Over 300 km / Over 30 lakh Passengers
• Vehicles on Road: ▲7 lakh/day
• Air Pollutant: ▲10 lakh ton/year
• Vehicles Accident: ▲1500 case/year

“Safe, Timely, Comfortable” Service Delivery

Then PM Manmohan Singh (Joint Statement 2006)
“Delhi Metro is a shining example of Japan-India partnership”
Quality Infrastructure Brought

"Social Innovation"

with Mindset-/Behavior- Change

Shining Example - Delhi Metro – (cont.)
**Forestry Sector**

*JICA is the biggest donor in the sector in India.*
(Over JPY 150 bil. since 2000, while the second donor invested about JPY 10 bil.)

**Major Impacts**

1. **Environment**, climate change, biodiversity
   - Afforestation area nearly 3 mil. ha, research activities, etc.

2. **Poverty** alleviation
   - Community development
   - Income Growth (IG) activities uplifted people’s life

3. **Women** empowerment
   - Vigorous Self Help Group (SHG) activities focusing on women
   - IG program with micro finance

4. **Disaster** prevention,
   **Water resource conservation**
   - Soil / Moisture conservation
   - Improvement of ground water level

5. **Utilizing Japan’s knowhow**
   - Capacity development, Training
   - Collaboration with Japan’s local governments (Odisha, Tripura...)

Case 2

**Value Adding!**
Forestry Sector (cont.)

“JICA assistance is not only financial help, but for better tomorrow for all!”
Path toward Sustainable Dev.

Sustainable Development

Economical Development

Private Sector Participation

Investment Environment Improvement

(1) Infrastructure development
(2) Regulatory Framework Development
(3) Human resource development

Inclusive Development

World Bank “Doing Business 2020”
63 rank /190 countries

To be the most attractive destination!!
Encouraging Japan’s Investment for Sustainable Dev.

**Fast growing large economy in the world**
“In this cloudy global horizon, India is a bright spot.”
(IMF 2015.3)

**Expect to be largest population in the world**
(in 2020s)
More than 60% of population is at working-age (15-59 years) and more than 50% are less than 25 years old

**Expanding Infrastructure Investment**
Infrastructure is one of 6 pillars in Budget Speech (Feb. 2021)

**Growing Indian market**

**Special Relationship as in “Tokyo Declaration for Japan-India Special Strategic and Global Partnership”**
About Rs. 2 lakh crore of public and private investment/financing to India from Japan in five years (Dec. 2014).

**Japanese companies are now targeting India as the promising business destination**
> No.1 mid-term promising business destination for Japan’s manufacturing industry (JBIC 2019)
> Majority of the Japanese companies in India planning business expansion (JETRO 2020)

**JICA can Facilitate Private Sector Participation for Sustainable Development**

**JICA’s function for business environment improvement**
> Infrastructure development,
> Regulatory framework development and internationally standardized contract management
> Human Resource Development
> PPP (Public Private Partnership) Project formulation, etc.

**Special Bilateral relationship**

**Various Schemes of JICA**

**Risk factors still exist.**
The challenges remain to address to reduce the business risks.
Shortage of infrastructure, Instable/Uncertain operations of laws & regulations, etc.
Toward the Country/State to be Chosen

Competitiveness thru Differentiation -- Comparative Advantage --

# Business Risk Mitigation
by Addressing Private Sector’s Concerns
(Infra, Regulations and Human Resources)

# Balanced Society for Sustainability
(Environment, Gender, Vulnerability ...)

# Innovation
(Social- and Technology-)

# Introduction of Japan’s Strong Points
(Knowhow, Technology and Behavior)
III. Special Topics

1. Resilient Society under COVID-19

2. NER Development and Connectivity

3. Hints for Full Use of JICA

https://www.youtube.com/watch?v=5Q5KBim6nSY
Topic 1. with/post COVID-19

Resilient Society

Emergency period / Short Term
- Quick Budget Support
- Medical Equipment (PPE, etc.)

Mid-Term
- Robust Health & Social Protection Systems
- Nutrition & Education
- Climate Change / Disaster Risk Management
- Governance (Free & Democratic Society)

Long-Term
- Economic Growth
- Job Creation, Income Generation

Quick Cash Injection for Both Interventions

Human Resource Capacity Development (Scholarship, Trainings)
JICA’s Approach

- Full Utilization of *Past Cooperation Assets*
- Best mix of *Hard/Soft* Infra.
- *Partnership* with various actors (Academia, Companies...)
- *Multi-Sector* (Health*Education*Nutrition*Transport*Energy...)
- Digital Transformation (*DX*)

Toward...

“*QG*” & “*HS*”

# “*Economic Vaccine*” (Sustainable, Resilient and Inclusive Dev.)

# *No One Left Behind* (Vulnerability, Fragility, Disparity...)

Economic Vaccine

No One Left Behind
Topic 1. COVID-19

<Ref.> Message from JICA President

No country is safe until all countries become safe!!

https://www.youtube.com/watch?v=-oUeJzyQvOY&feature=youtu.be

- Prevention: Clean water, hand hygiene, proper nutrition, etc.
- Precaution: CD for research institutions for early detection, etc.
- Treatment: Hospitals, equipment, CD of medical staff, etc.
## Topic 2. NE Dev. and Connectivity

### North East: Main ODA projects

**Sikkim**
- Biodiversity Conservation and Forest Management (5.384 billion yen; 2010.03)

**Assam**
- Guwahati Water Supply Project (29.453 billion yen; 2009.03)
- Guwahati Sewage Project (15.620 billion yen; 2014.11)
- Construction of a Vocational Training Center for the Poor women in Kamrup (9.9 million yen; 2016.03)

**Assam/ Meghalaya**
- North East Road Network Connectivity Improvement Project (Phase3: 25.483 billion yen; 2018.10) Dhubri-Phulbari Bridge

**Meghalaya**
- North East Road Network Connectivity Improvement Project (Phase1: 67.170 billion yen; 2016.03/ Phase 2: 38.666 billion yen; 2017.09) NH-51 (Tura – Dali)/NH-40 (Shillong – Dawki)
- Project for Renovation and Modernization of Umiam-Umtru Stage-III Hydroelectric Power Station (5.497 billion yen; 2018.10)
- Community-Based Forest Management and Livelihoods Improvement (10.397 billion yen; 2020.03)

**Tripura**
- Sustainable Catchment Forest Management Project (12.287 billion yen; 2018.10)
- North East Road Network Connectivity Improvement Project (Phase4: 14.926 billion yen; 2020.03) NH-208 (Kailashahar – Khowai)

**Nagaland**
- Forest Management Project (6.224 billion yen; 2017.03)

**Manipur**
- Construction of Primary School for Scheduled Tribe (7.3 million yen; 2012.03)
- Construction of Secondary School for Scheduled Tribe (8.4 million yen; 2018.03)

**Mizoram**
- North East Road Network Connectivity Improvement Project (Phase1: 67.170 billion yen; 2016.03 / Phase 2: 38.666 billion yen; 2017.09) NH-54 (Aizawl – Tuipang)
- Project on Capacity Enhancement for Sustainable Agriculture & Irrigation Development in Mizoram (Technical Cooperation; 2016.10)

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Total ODA: over 231 billion yen (apprx: INR 1,600 crore)
(converted at the exchange rate of 27th January, 2021)

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[https://www.in.emb-japan.go.jp/files/100143142.pdf](https://www.in.emb-japan.go.jp/files/100143142.pdf)
JICA is positive to support NER, because…

(1) **Development Needs**
   (e.g. Poverty, Road Infra.)
   >> **Disparity**, **NOLB**
   >> **Regulations** (e.g. OSBP), **HRD**

(2) **Potential**, esp. as a **Gateway** of India to Other Countries
   (e.g. Bengal Bay, ASEAN and beyond…)

(3) **PMs Joint Statement (2017)**
Topic 2. NE Dev. and Connectivity (cont.)

- **Dhubri-Phulbari** (*Brahmaputra* River Bridge)
  - 8 hours >> 0.5 hours
  - Bhutan-Assam-Meghalaya-Bangladesh

- **Maitri Setu** (Feni River Bridge)
  - *Tripura*, 'Gateway of NER‘, within only 80km distance from Chattogram port, *Bangladesh*
  - JICA’s support for roads/bridges both in India and Bangladesh territories

- North East will find outlet to the Bay of Bengal, the Indian Ocean and to ASEAN, being able to utilise such ports as in Chittagong or Matabari
- No longer be a land-locked place

(HE Japan’s Amb Mr. Suzuki (Mar. 9th, 2021)}
Topic 3. Hints for Full Use of JICA

Points to be taken notes;

1. Good **Preparedness**
   (DPR, Budget, Land, EIA, etc.)

2. Coordinated High **Priority**

3. Good **Track Records**

4. Full Use of **All Functions**
   (Training Programs, PPP (“Japan’s Flavor”), Academia, Volunteer, etc.)

Other Challenges;

1. **Travel Permission Procedures**
2. **Security / Safety**
Attachments
What is “JICA”? 

- JICA is the *world’s largest* bilateral development agency 
- India is the *largest and the oldest partner* of JICA 

Japan’s Official Development Assistance (ODA)

- **ODA** (Official Development Assistance)
  - **bilateral assistance**
    - Grant
    - **Grant Aid***
    - **ODA Loan / PSIF (Private Sector Investment Finance)**
  - **multilateral assistance**
  - **international authority**

* Part of grant aid is provided by the Ministry of Foreign Affairs.
India is JICA's Largest Partner in the World

Concessional Loan

Operational Results in FY2019/20:
Commitment: JPY 374.4 billion (equivalent to about Rs. 26,600 crore)
Disbursement: JPY 254.7 billion (equivalent to about Rs. 18,100 crore)

Accumulated Commitment by FY2019/20:
- JPY 6.2 trillion in total (equivalent to about Rs. 4.4 lakh crore)

Terms and conditions:
- General terms: Interest rate 1.15%, repayment period 30 years (including 10 years grace period)
- STEP: Interest rate 0.1%, repayment period 40 years (including 13 years grace period)

Grant Aid

Two on-going projects in Private Sector and Road Sector

Technical Cooperation

- Results in FY 2019/20
  JPY 8.7 billion (about Rs. 620 crore)
About 300 Japanese experts to India
About 300 Trainee from India to Japan

Citizen Partnership / Public-Private Partnership

- Japanese Volunteers
- Japanese NGO activities
- Partnerships with Private-Sector Activities
JICA’s Projects in India (Map)

Too Many to Illustrate...!

Visit JICA India office’s Website for Details.

Find Press Releases, Reports, Pamphlets, Maps, Guidelines, Presentation Docs, etc. Everything is there.
Human Resource Dev. under TC

Technical cooperation (TC) includes the dispatch of JICA experts and the training of Indian officials for “capacity development”.

<table>
<thead>
<tr>
<th>Total Amount of (until FY 2019)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Cooperation</td>
<td>about JPY 93 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Number of (until FY 2019)</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trainee from India</td>
<td>8,412 persons</td>
</tr>
<tr>
<td>Japanese Experts / Survey team</td>
<td>11,528 persons</td>
</tr>
<tr>
<td>Japan Oversea Cooperation Volunteer</td>
<td>235 persons</td>
</tr>
</tbody>
</table>
(Case Study) Tamil Nadu Investment Promotion Program [Loan/Ongoing]

◆ Program Description:
- To further improve the investment climate through strengthening the policy framework and enhancing the quality of urban infrastructure mainly of roads, power, water and sanitation, etc, thereby attempting to increase foreign direct investments in the state for sustainable growth.
- Government of Tamil Nadu and JICA jointly monitor progress of action plans in the agreed policy matrix. Based on achievement, JICA disburses the loan amount by dividing into three tranches (corresponding to each fiscal year action plan).

◆ Loan Amount and Disbursement:
- JPY 13 billion (about Rs. 600 crore)
  (7 billion for 1st tranche and 3 billion for 2nd & 3rd tranche)

◆ Program Duration:
- 3 years (FY2012/13 - 2014/15)

◆ Achievement:
- A comprehensive action plan for ease of doing business has been elaborated.
- Global Investors Meet was held in September 2015.
- Development of industry related infrastructure (e.g. road, water supply, sub-station) has been accelerated.
**Concept of Investment Promotion Program Loan**

<table>
<thead>
<tr>
<th>Policy Area</th>
<th>1st Fiscal Year</th>
<th>2nd Fiscal Year</th>
<th>3rd Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy A (Ex. Business procedure)</td>
<td>•Action A</td>
<td>•Action A’</td>
<td>•Action A’’</td>
</tr>
<tr>
<td>Policy B (Ex. Human resource)</td>
<td>•Action B</td>
<td>•Action B’</td>
<td>•Action B’’</td>
</tr>
<tr>
<td>Policy C (Ex. Small scale infrastructure)</td>
<td>•Action C</td>
<td>•Action C’</td>
<td>•Action C’’</td>
</tr>
</tbody>
</table>

Evaluation of the policy action in each fiscal year

Achieved

Disbursement

Acceleration!
Toward the Future... **Mutual Benefits !**

**Not One-Way Assistance, But Win-Win Collaboration !!**

e.g. Health sector

Seeks
- **Opportunities** of treatments on the diseases that no longer exist in Japan
- Medical treatment **data**

Seeks
- **Finance**
- **Technology** and **equipment**
- Management **knowhow**
Thank you!
धन्यवाद

The views in this paper are those of the author and do not necessarily represent the official positions of either Government of Japan or JICA.