

## Ex-ante Evaluation Paper (for Japanese ODA Loan)

South Asia Division 1, South Asia Department, JICA

### 1. Name of the Program

Country: India

Program: Program for Japan-India Cooperative Actions towards Sustainable Development Goals in India

Loan Agreement: January 18, 2019

### 2. Background and Necessity of the Program

(1) Current State and Issues of SDGs-related Development in India and the Positioning of this Program

Although India's efforts on the Millennium Development Goals (hereinafter, "MDGs"), which were set to be attained by 2015, resulted in the nation making improvements towards many of the goals, it became evident that the country was still beset with social development issues common to numerous developing nations, such as sanitation, education and health.

The Government of India has recognized that continuous effort is required to achieve the Sustainable Development Goals (hereinafter, "SDGs"), launched and adopted by all United Nations member states in 2016 as the successor to the MDGs, initiating a total of 17 goals. The National Institution for Transforming India (hereinafter, "NITI Aayog"), an entity established in 2015, is leading efforts to achieve the SDGs, specifying government agencies of jurisdiction on a goal-by-goal basis while making a list of relevant initiatives and schemes for the Government of India. The Government of India has been making great efforts to achieve the SDGs, as evidenced by the fact that, at the High-level Political Forum on Sustainable Development held by the United Nations in July 2017, the country became a Voluntary National Review state and announced plans to achieve goals that were set as the themes of the year's forum. In addition, targeting regions making slow progression towards the SDGs, NITI Aayog monitors the state of achievement in fields that have greatly diverged from their goals (health & nutrition, education, agriculture & water resources, financial inclusion & skill development and basic infrastructure) monthly, while striving to achieve SDGs across the entire country.

The Program for Japan-India Cooperative Actions towards Sustainable Development Goals in India (hereinafter, the "Program") is one of the initiatives intended to promote SDGs efforts in India by strengthening and assisting the framework and execution platform for various SDGs-related policies in the country, thereby contributing to achieving the SDGs in 2030.

## (2) Japan's and JICA's SDGs Cooperation Policy and the Positioning of this Program

Japan's Country Assistance Policy for India (March 2016) stipulates that, in order for fast economic growth in India to be sustainable, Japan should provide assistance conducive to mitigating poverty and developing social sectors. The Program is relegated to priority areas such as the cooperation program for Assistance for Sustainable and Inclusive Growth, the Agriculture and Farming Area Development Program, the Program to Improve Basic Social Service and the Program for Water Supply & Sewage and Sanitation Improvement and Pollution Management. Points of note in the policy state that Japan will pay attention to gradually promote an approach that provides assistance on account of policy action progress set in a policy matrix which is mutually agreed, periodically monitored and reviewed with India via close and continued policy dialogue, since doing so will contribute to raising ownership in the country. The Program is also intended to promote the SDGs Prioritization for Development Cooperation and the SDGs Implementation Platform Assistance to Developing Countries, which constitute specific measures of SDGs implementation guidelines of Government of Japan.

The JICA Country Analysis Paper for India (March 2018) concludes that it will be important to put a priority on the principal development issues with strong financial needs and for which Japan's and JICA's strengths would seemingly be leveraged, as well as to comprehensively assist India's efforts on the SDGs. The paper also specifies contributions for the Government of India's nationwide operation programs as one approach to development issues JICA must work on, adding that it will consider giving feedback from its practical experiences in past ODA loan projects to central government agencies through a program loan initiative etc., thus contributing to their key policies. Moreover, setting inclusive growth in farming areas as a principal development issue, the paper says JICA will provide assistance aimed to deliver sustainable and inclusive growth to rural areas inhabited by many low-income earners, meaning the Program is consistent with the policy and analysis discussed above.

## (3) Other Donors' Activities

In a report titled "Country Partnership Framework for India for FY18-FY22," the World Bank specified the following as priority areas: i) promoting resource-efficient growth; ii) enhancing competitiveness and enabling job creation; and iii) investing in human capital. The bank provides assistance for India's economic growth as well as for themes such as health and education, points of slow progression for the nation's SDGs. In a report titled "Country Partnership Strategy (CPS), 2018-2022," the Asian Development Bank expressed an intention to assist India's efforts to achieve the SDGs, and set three pillars comprising: i) boosting economic competitiveness to create more and better jobs; ii) providing inclusive access to infrastructure networks

and services; and (iii) addressing climate change and increasing climate resilience.

### 3. Program Description

#### (1) Program Objective

To promote SDGs efforts in India's social development by strengthening and assisting the framework of various policies and implementation platforms for the SDGs, thereby contributing to achieving the SDGs in 2030.

#### (2) Program Site/Target Area

All of India

#### (3) Program Components

Based on consultations with NITI Aayog, policy actions in five fields prioritized by the entity and identified as policy matrix pillars are set. Shown below are examples of typical achievement goals and policy actions

Theme	Achievement goal (2030)
	Main policy actions during the term of the program (FY 2017/2018 to FY 2019/2020)
Overall / Global Partnerships	<ul style="list-style-type: none"> <li>Build a structure to monitor the state of SDGs achievement by the central government of India</li> <li>Check the state of achievement of SDGs metrics on a region-by-region basis for the entire country before analyzing regions with a low achievement rate</li> </ul>
Health and Nutrition	<ul style="list-style-type: none"> <li>Provide medical care to all pregnant women</li> <li>Give children full immunization</li> <li>Install a cooperation platform intended to expand ante-natal care and immunization facilities and perform awareness raising activities for preventive injections</li> </ul>
Education	<ul style="list-style-type: none"> <li>Increase percentage of learning outcomes in mathematics of grade 3 in elementary school</li> <li>Supply electricity to all secondary schools</li> <li>Launch a survey to analyze issues related to school grades and reflect the results to improve them</li> </ul>
Agriculture and Water Resources	<ul style="list-style-type: none"> <li>Raise the share of high value crops</li> <li>Launch a special mission aimed to expand the planting area for high value crops</li> <li>Select best practices for raising the share of high value crops and disseminate the cases across the country</li> </ul>
Financial Inclusion and Skill Development	<ul style="list-style-type: none"> <li>Increase the number of bank accounts</li> <li>Improve the employment rate of youths who have</li> </ul>

	<p>taken skill training courses</p> <ul style="list-style-type: none"> <li>• Appoint a nodal person in each district for the purpose of increasing the number of opened bank accounts</li> <li>• Introduce a structure to keep track of the state of employment of youths who have taken skill training courses</li> </ul>
Basic Infrastructure	<ul style="list-style-type: none"> <li>• Increase the number of internet connected villages</li> <li>• Supply a sufficient volume of drinking water in rural areas</li> <li>• Identify villages without internet connectivity and provide Wi-Fi services at one or more government agency buildings in each village</li> <li>• Introduce a community participation structure in order to accelerate the provision of drinking water</li> </ul>

(4) Estimated Program Cost

ODA loan amount: 15,000 million yen

(5) Schedule

Financial assistance for the Program commences in April 2017. The policy actions are aimed to be achieved in March 2018, March 2019 and March 2020. Whether the policy actions for each fiscal year are achieved will be checked by the Program Monitoring Committee (hereinafter the “PMC”) in the subsequent fiscal year, following which a loan will be provided. Program completion is defined as the completion date of loan provision (scheduled for June 2020).

(6) Program Implementation Structure

- 1) Borrower: President of India
- 2) Guarantor: None
- 3) Executing Agency: NITI Aayog
- 4) Operation and Maintenance Agency: None

(7) Collaboration with Other Schemes and Donors

- 1) Related aid activities by Japan: None in particular.
- 2) Aid activities of other aid organizations: None in particular.

(8) Environmental and Social Considerations/Poverty Reduction and Social Development

1) Environmental and Social Considerations

- (i) Category: C
- (ii) Categorization Rationale: The negative impact on the environment from this

Program is considered negligible under the ‘JICA Guidelines for Environmental and Social Considerations’ (promulgated in April 2010).

## 2) Cross-cutting Items

### (i) Climate change related matters:

This Program will be conducive to climate change adaptation control measures (auxiliary objective) since it will encourage increases in the harvest ratio for agricultural crops for which climate change-induced effects are considered in one of the policy actions (agriculture and water resources).

### (ii) Poverty reduction and considerations:

This Program falls under a poverty control measure program given that it will assist regions showing particularly slow progression towards achieving the SDGs and encourage implementing skill training courses that will help increase the number of people opening bank accounts and lead to employment in one of the policy actions (financial inclusion and skill development).

## 3) Gender Classification: GI (S) Gender Informed (Significant) Program

<Activities/Classification Rationale> This Program falls under the criteria for a gender informed (significant) program due to its efforts to streamline medical facilities providing care to expectant and nursing mothers in one of the policy actions (health and nutrition).

## (9) Other Important Issues

JICA will deliver increased project effectiveness and aim to achieve the SDGs by: i) stating in a policy matrix the formulation and execution of Japan-India Cooperative Actions on which to continually consult with the Indian government; and ii) executing the Program. This is an effort to leverage Japan’s technologies and past project lessons for promoting SDGs efforts in India in fields targeted by the Program and those for which results were attained.

## 4. Target Outcomes

### (1) Quantitative Effects

#### 1) Outcomes (Operation and Effect Indicators)

Indicator	Baseline (Actual value at the end of FY 2016)	Target (The end of FY 2019)
[Health and Nutrition]		

Percentage of pregnant women receiving ante natal check-ups for more than 4 times	64%	75%
Percentage of 9 to 11 months children fully immunized	89%	95%
[Education]		
Percentage of learning outcomes in mathematics of grade 3 in elementary school	62%	75%
Percentage of secondary schools with electricity connection	84%	95%
[Agriculture and Water Resources]		
Percentage of high value crops	15%	20%
[Financial inclusion and Skill Development]		
Percentage of the population with bank accounts	32%	40%
Employment percentage of youths who took skill training courses	18%	25%
[Basic Infrastructure]		
Percentage of villages with internet connectivity	38%	55%
Percentage of population in rural areas with access to adequate quantity of potable water	82%	90%

(2) Qualitative effects

The qualitative effects of the Program will include the enhancement of a system to monitor the state of SDGs achievement by the central government of India, the promotion of Japan-India cooperation such as SDGs-related technical inputting by Japan and the enhancement of government agency staff skills in the SDGs.

(3) Internal Rate of Return

Not calculated.

## 5. External Factors and Risk Control

- (1) Preconditions: None in particular
- (2) External factors: None in particular

## 6. Lessons Learned from Past Programs and Applications to the Program

Based on the ex-post evaluation results of the Republic of Indonesia-implemented

Climate Change Program Loan (I through III), it is important to limit the number of operation and effect indicators in order to minimize government costs, as well as choose indicators designed to gauge program results over indicators intended to monitor the achievement of policy actions. In addition, continued policy dialogue on program monitoring is a significant factor for attaining success for the Program. In Tamil Nadu Investment Promotion Program, an ODA loan program for India, policy monitoring and coordination among stakeholders including private companies were done through loan account technical assistance, and such technical assistance was found to be effective for checking the smooth progress of policy actions and promoting execution.

In the Program, a government agency of jurisdiction should be allowed to monitor the indicators of operation and effect periodically, and results to be achieved as a result of policy actions should be set as indicators, in addition to limiting the number of them. JICA is now considering inputting policies on target fields associated with its past projects, through holding events such as the PMC and an opinion exchange forum between Japan and India. In addition, JICA will check the structure and state of cooperation with the Department of Economic Affairs (DEA), an ODA loan receipt interface, by taking the opportunity of a PMC meeting.

## **7. Evaluation Results**

This Program, intended to assist India in achieving its SDGs through improving its SDGs-related policies, is judged to be consistent with the country's development policies and Japan's country assistance policy for India. Moreover, the Program is designed to assist the central government of India in introducing a structure to monitor the state of its SDGs achievement and shoring up regions that are particularly slow in achieving the SDGs, as an initiative aimed to attain the SDGs across the country. Given that the Program will likely contribute to attaining 11 SDGs (1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 13) through assistance across five fields (health & nutrition, education, agriculture & water resources, financial inclusion and skill development, and basic infrastructure) as well as goal 17 through improving the means and structure of implementation, the need for JICA to support the implementation of this Program is high.

## **8. Plan for Future Evaluation**

### (1) Indicators to be Used

As indicated in sections 4. (1) to (3)

### (2) Timing of the Next Evaluation

At the time of program completion