

ROLE OF JICA IN INDIA'S DEVELOPMENT

OPPORTUNITIES AND CHALLENGES

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at

जवाहरलाल नेहरू विश्वविद्यालय

JAWAHARLAL NEHRU UNIVERSITY



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1. India - Japan Relations

● Have been traditionally amicable & strong

- Introduction of Buddhism to Japan from India.
In 752, an Indian monk **Bodhisena (बोधिसेन)** performed eye-opening of the Great Buddha built in 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.)

- 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** Established official diplomatic relations
- **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"
- **2014.1** Japanese PM Abe visited India.
- **2014.9** Indian PM Modi visited Japan. "Tokyo Declaration for Japan-India **Special**

Strategic and Global Partnership"

a) Doubling Japan's foreign direct investment in India within five years.

b) Doubling the number of Japanese companies in India within five years.

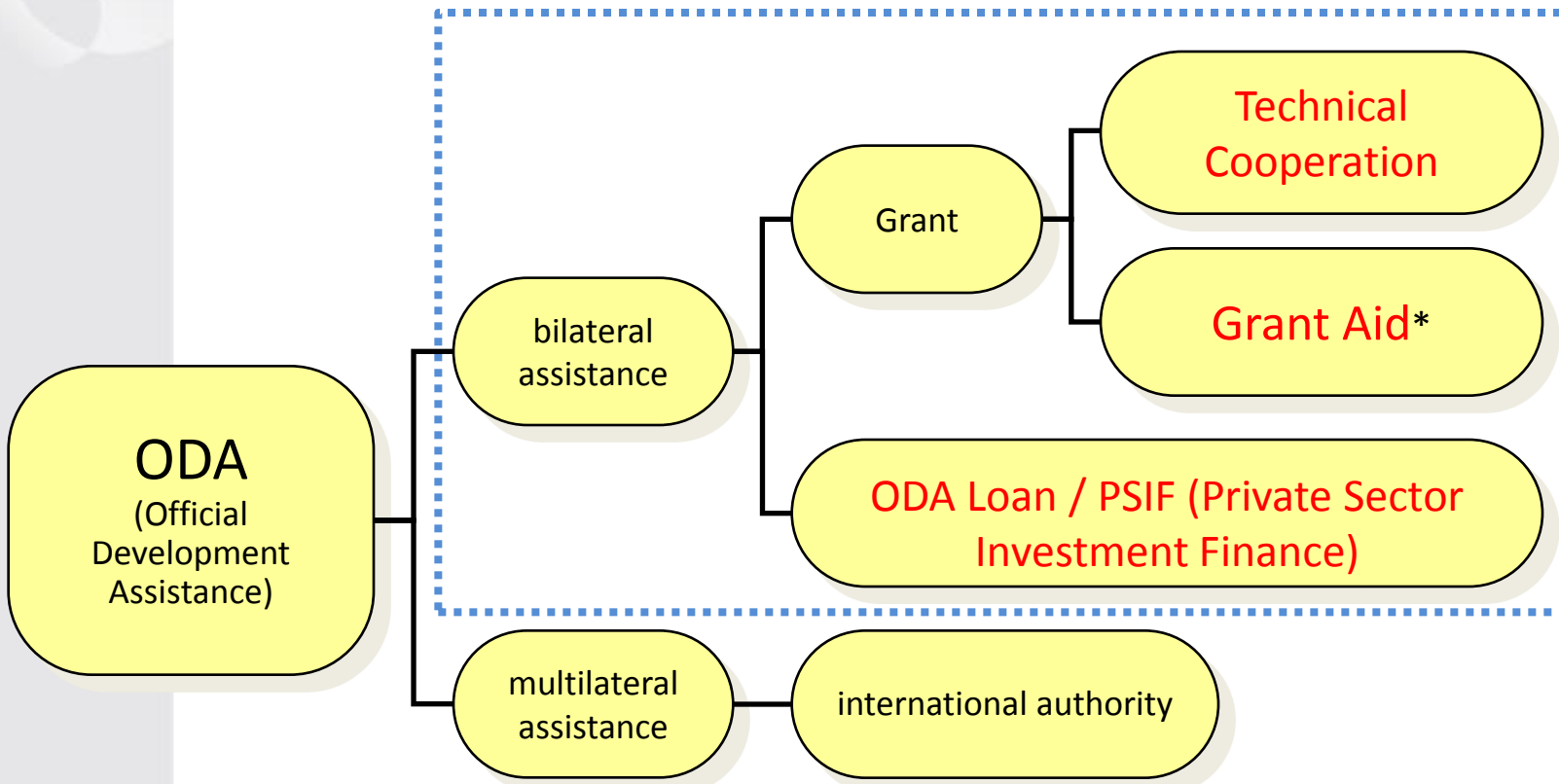
c) JPY 3.5 trillion (Rs. 2 trillion) of public and private investment and financing to India from Japan, including ODA, within five years.

2. Activities of JICA

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)



* Part of grant aid is provided by the Ministry of Foreign Affairs.

India is JICA's Largest Partner in the World

Loan

Operational Results in FY2013/14:

Commitment: JPY 320.4 billion
(equivalent to about Rs. 18,000 crore)
Disbursement: JPY 145.4 billion
(equivalent to about Rs. 8,200 crore)

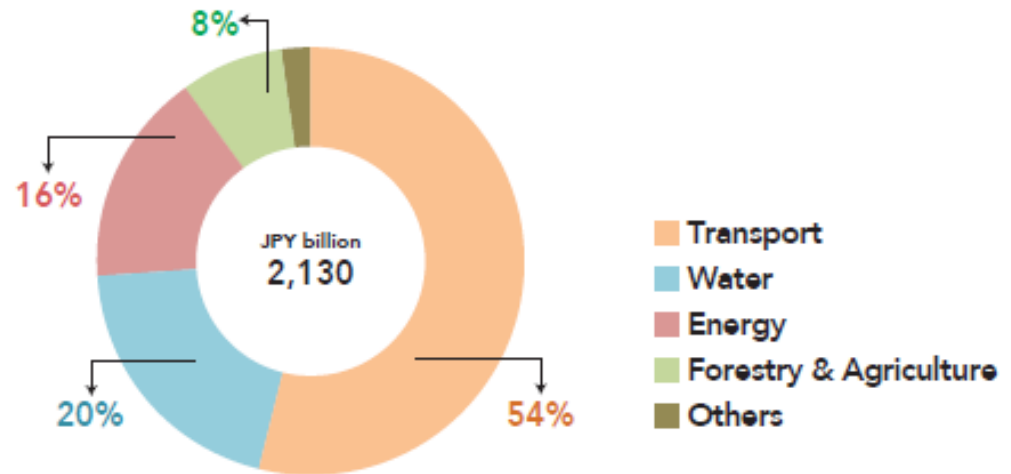
Accumulated Commitment by FY2013/14:

- JPY 4 trillion in total
(equivalent to about Rs. 2.3 lakh crore)

Terms and conditions:

- General terms: Interest rate 1.4%, repayment period 30 years (including 10 years grace period)
- STEP: Interest rate 0.1%, repayment period 40 years (including 10 years grace period)

Major Sector (FY2004/05-2013/14)



Grant Aid

One on-going project
in health sector in
Chennai

Technical Cooperation

- Results in FY 2013/14
JPY 3.5 billion (about Rs. 200 crore)
- Over 650 Japanese experts to India
- Over 200 Trainee from India to Japan

Citizen Partnership / Public-Private Partnership

- Japanese Volunteers
- Japanese NGO activities
- Partnerships with
Private-Sector Activities

3. Gender Sector

JICA's Support to Gender Sector in India

Addressing women empowerment through gender mainstreaming approach in various projects for Inclusive Development

Sector	Projects	Gender component
Forestry	Biodiversity Conservation and Greening Project in Tamil Nadu(ODA Loan), Swan River Integrated Watershed Management Project in Himachal Pradesh (ODA Loan), etc.	Supporting Self Help Group activities (micro-credit, vocational training) Main actors are women
Health	The Project for Improvement of the Institute of Child Health and Hospital for Children, Chennai (Grant), etc.	Improvement of maternal health
Water and Sanitation	Sanitation Facilities (Public Toilet) Study in India, etc. Supporting for about 1,500 public toilets.	Analyze negative impact of open defecation towards women's life
Transport (Metro)	Delhi Mass Rapid Transport System Project (ODA Loan), etc.	Introduction of "Women-only Coach" Considerations for female passengers

JICA's Support to Gender Sector in India



Dispatch Volunteer

(Nurse,
Midwife, Youth
Activities)



JICA-NGO Partnership Program

(Empowerment
of rural women)



Technical Training in Japan

(Reproductive
Health,
Maternal
Health, etc)



Promoting BOP Business

(Supplementary
food for
children and
women,
Sanitary
products for
women in rural
area)

Women Empowerment – way forward

Tokyo Declaration for Japan-India Special Strategic and Global Partnership
(September 2014)

Recognized necessity of women empowerment by both PMs

Gender Profile Survey conducted by JICA
(September 2014-March 2015)

Data Collection Survey on Women Empowerment is been conducted
(August 2015-)



Promoting Gender Equality
through
Skill Development, Education, Social Inclusion

4. Forestry Sector

Issues

1. Forestry Management

- Forestry coverage in India is 24% (2013), which is lower than national target (33%) and world average (31%) .
- Demand on woods is increasing due to economic development and population increase, and wood supply and demand gap is increasing.
- The population depending on forest is 275 million and most of them are under poverty line.

2. Biodiversity

- There are four biodiversity hotspots in India among world 35 hotspots.
(East Himalaya, West Ghats, India – Burma, Nicobar)
- There are many protection areas in India.
(102 National Parks, 515 Wildlife Sanctuaries)
- Capacity development of Forest Department whose mandate is to preserve sustainable biodiversity and harmonious environment.



Progress

Japan is the biggest donor in the forestry sector in India.

■ ODA loan

- Cumulative commitment since 1990 stands at JPY 225.8 billion (Rs. 11,800 crore approx. or about USD 2 billion) to Ministry of Environment, Forestry and Climate Change (MoEF). (as of Sep 2015)
- Plantation area is 2.9 million ha in total
- Supporting India government policy of Joint Forest Management: participatory forest management targeting sustainability, the following three points are core areas of cooperation according to different features of each state
 - ① Preventing forest degradation and conservation activities (afforestation)
 - ② Training of forest officers and community people
 - ③ Community development (micro infrastructure development, income generation, etc.)
- Disaster prevention and preparedness components are included in Uttarakhand Forestry Resources Management Project in addition to forestry related components (L/A: April 2014)



■ Technical cooperation

- Capacity Development for Forest Management and Personnel Training Project (2009.3-2014.3)



pond for preventing soil erosion



Regular meeting of community people



Income Generation activity



Nursery for plantation

Major Impacts

Japan is the biggest donor in forestry sector in India.

(JPY 150 billion since 2000, while the second donor invested JPY 10 billion)

1. Environment, climate change, biodiversity

-Afforestation and Reforestation cover nearly 3 million ha, forestry function improved, diversified biodiversity activities, accelerated research activities

2. Poverty alleviation

-Community development and IG activities uplifted people's life

3. Utilizing Japanese knowledge

-Implemented technical cooperation on capacity development of training facility
-Promoted collaboration with local governments (Odisha, Tripura, & Gujarat)

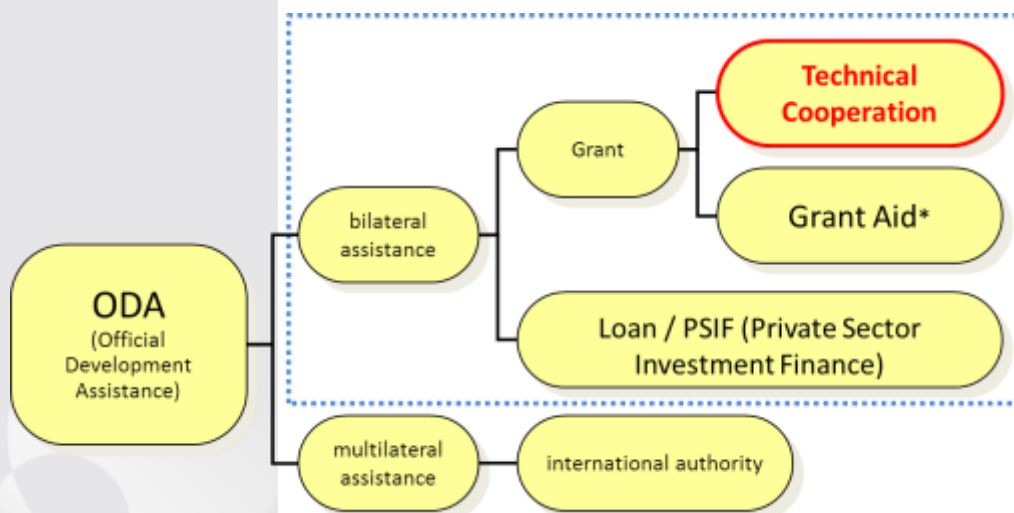
4. Disaster prevention / Water resource conservation

-Ground water level was improved.

5. Women empowerment

-Self Help Group (SHG) activities were implemented in all the projects and IG program and micro credit are incorporated.

5. Human Resource Development



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

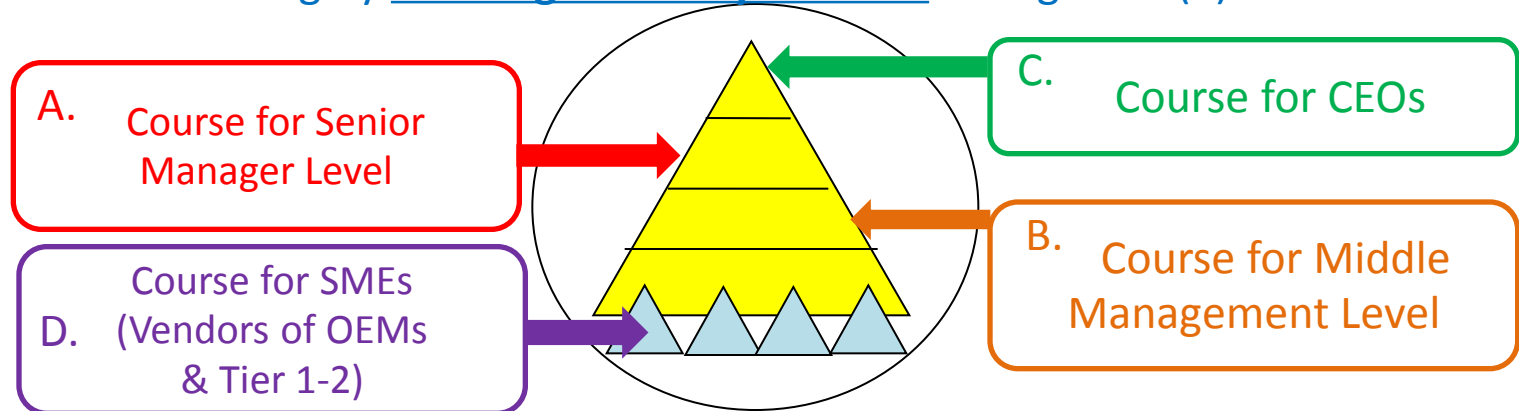
Total Amount of (until FY 2013)	Amount
Technical Cooperation	about JPY 40 billion
Total Number of (until FY 2014)	Number
Trainee from India	7,112 persons
Japanese Experts / Survey team	6,299 persons
Japan Oversea Cooperation Volunteer	193 persons

Project on Champions for Societal Manufacturing (CSM)

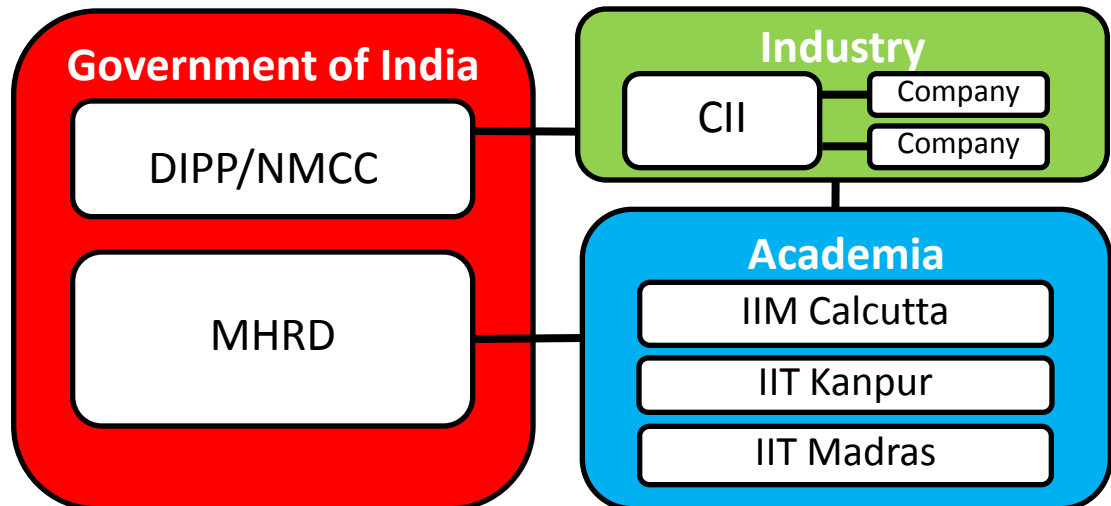
[Technical cooperation/Ongoing]

◆ Project Duration : April 2013 – March 2016 (3 years)

1. National Integrated Human Resource Development Program in Manufacturing by Creating Visionary Leaders through four(4) courses



2. Implementation with collaboration of Government, Industry and Academia



Prof. Shiba, the JICA expert, was conferred decorations both in India and Japan.
Over 1800 CEOs, SMEs, and senior/middle-level managers have participated the programme.

“Godrej Edge Digi, Direct Cool Refrigerator Range” won India Design Mark(2014) and Good Design Award (Japan)(2015)

 | APPLIANCES



- localized to the Indian market (Largest Vegetable Space, Largest Shelf Space, Largest Freezer Space, Store the larger water bottles easily)
- the graphic on its exterior shows a strong awareness for the Indian cultural sphere.
- the lowest energy consumption in India
- 24 hour cooling retention despite power cut with StayCool Technology
- the anti-bacterial property of Silver ions

The members of Design and Production Team are the training module director and demonstrators of JICA CSM Training course.

6. Metro Projects

Cooperation on Metro Projects

JICA is supporting metro projects in 5 major cities in India



Delhi Metro

- Total Length: 329km
- Project Cost: 1,274 Billion JPY
- Loan Amount: 652 Billion JPY
- Completion Year: 2016 (Full)



Kolkata Metro

- Total Length: 14 km
- Project Cost: 140 Billion JPY
- Loan Amount: 30 Billion JPY
- Completion Year: 2017 (Partial)

Mumbai Metro

- Total Length: 33 km
- Project Cost: 347 Billion JPY
- Loan Amount: 71 Billion JPY
- Completion Year: 2019 (Full)



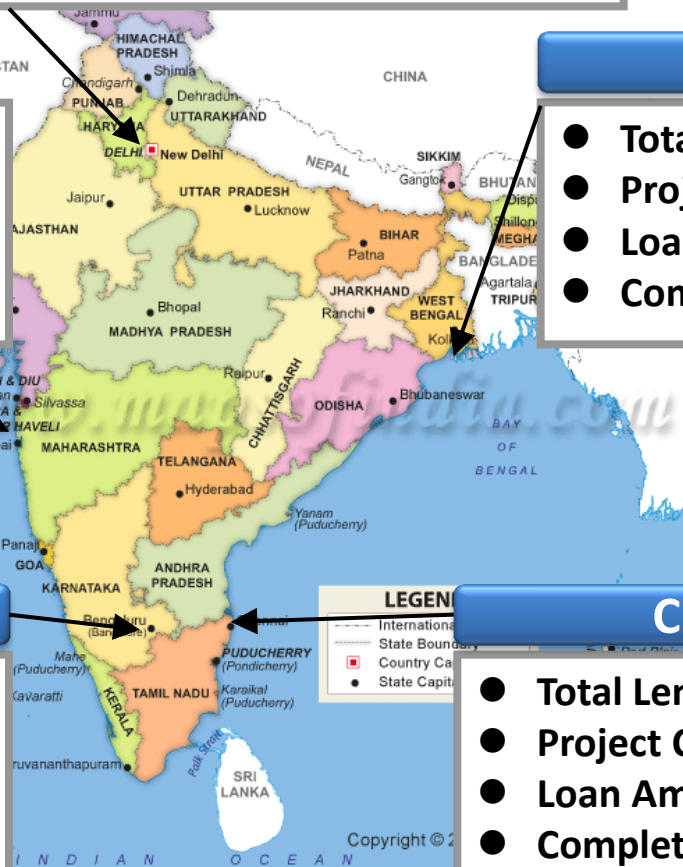
Bangalore Metro

- Total Length: 42 km
- Project Cost: 307 Billion JPY
- Loan Amount: 65 Billion JPY
- Completion Year: 2017 (Full)



Chennai Metro

- Total Length: 45 km
- Project Cost: 331 Billion JPY
- Loan Amount: 150 Billion JPY
- Completion Year: 2016 (Full)





Delhi Metro ~ most successful & well-known project funded by Japan

● Improvement of traffic congestion

- 2 Million passengers per day (6 Mil in Tokyo, 2.3 Mil in Osaka)
- Contributing to the reduction of congestion and the reduction of 120 thousands vehicles in New Delhi.

Then PM Mr. Manmohan Singh (Joint Statement 2006)

"Delhi Metro is a shining example of Japan-India partnership"

● Work Culture Innovation

The important concept and principle of "Safety" and "Deadline" have been rooted into.

● First Railway Project under CDM (Clean Development Mechanism)

Registered as CDM project in UN for the first case of railway sector by installing the Japanese Energy Efficiency Technology called "regenerative brake" contributing CO2 emission reduction by 0.73 Million ton per year (0.1% of the total emission amount in India).

Safe, Timely, Comfortable Move for Better Life

- **Safe** ~ Considerations for safe operation.
- **Timely** ~ Support to satisfy development needs, high reliability of services
- **Comfortable** ~ Considerations for culture and life style, system management using ICT, vulnerable-users-friendly universal designs.
- "Human- centered investment" ~ Based on stakeholders coordination and public involvement
- Considerations for environmental harmonization, operation and maintenance, managerial/financial sustainability



"Quality Infrastructure"

Not only for the tangible asset development,
but for **"Safe, Timely, Comfortable" Service Delivery.**

7. Business Environment Improvement

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.

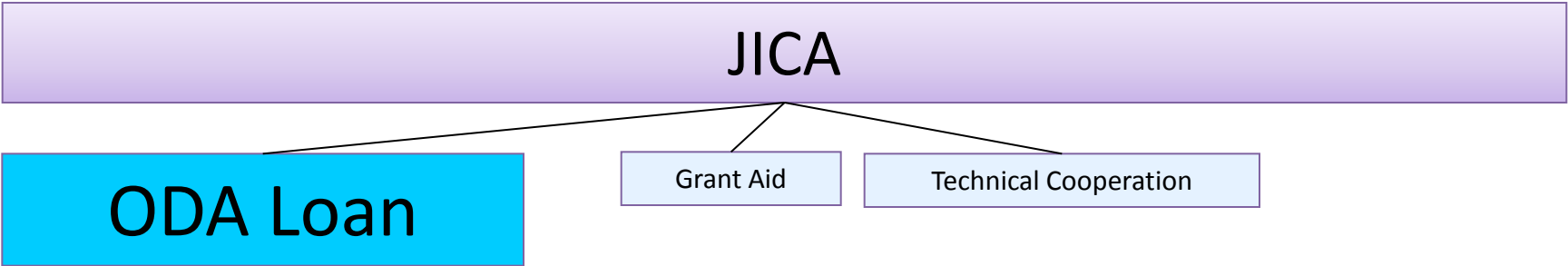


110kV Substation at One Hub
Chennai Industrial Park



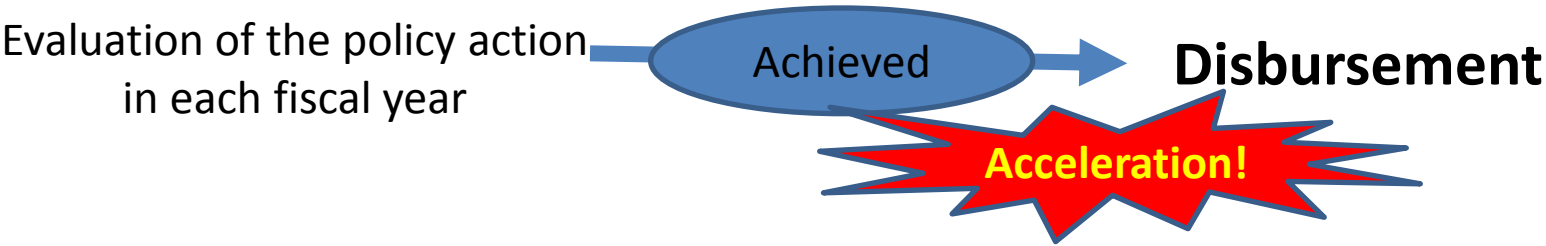
Access Road to Kamarajar Port

JICA Cooperation Framework and Investment Promotion Program Loan



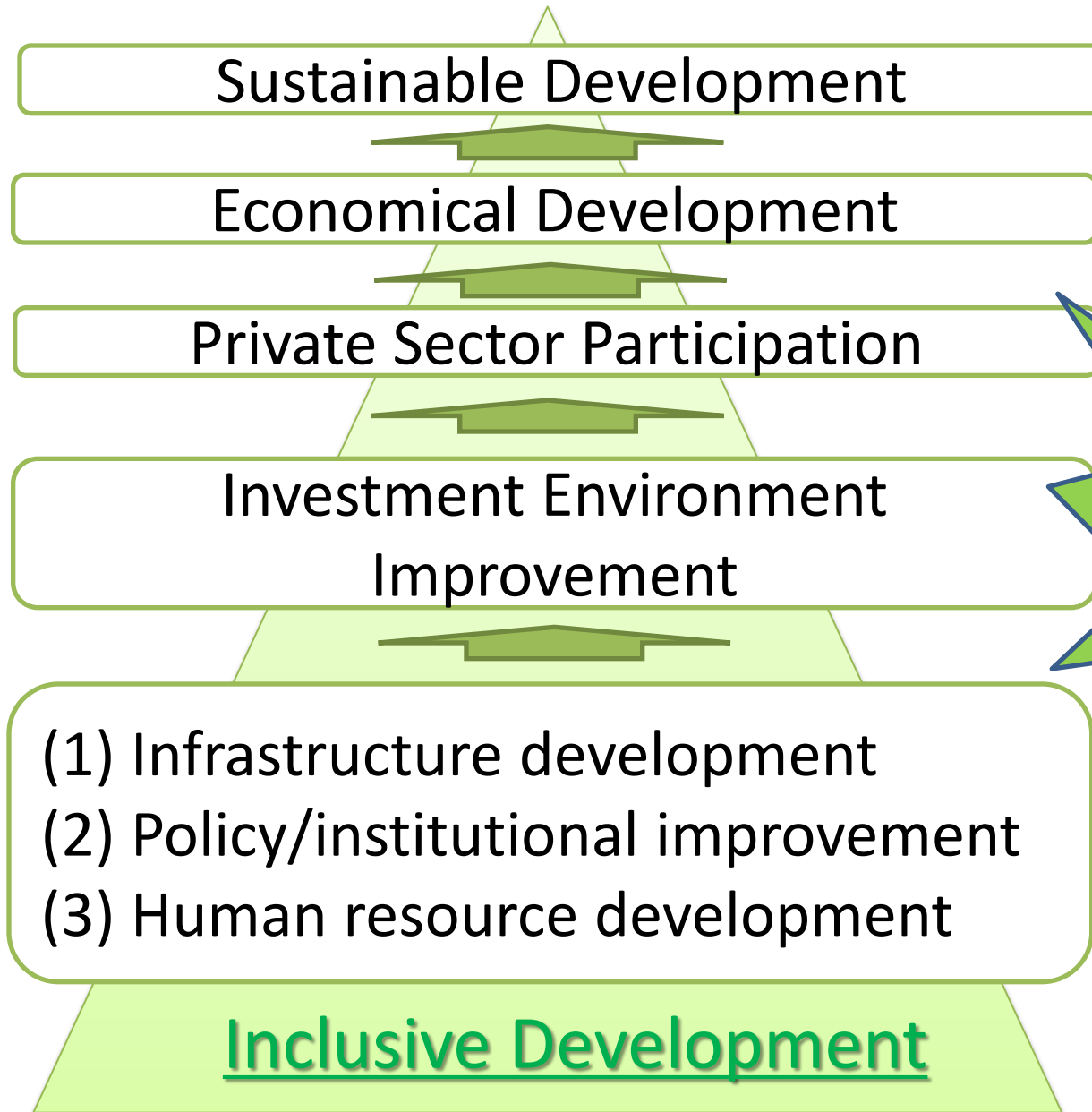
Concept of Investment Promotion Program Loan

Policy Area	1st Fiscal Year	2nd Fiscal Year	3rd Fiscal Year
Policy A (Ex. Business procedure)	•Action A	•Action A'	•Action A''
Policy B (Ex. Human resource)	•Action B	•Action B'	•Action B''
Policy C (Ex. Small scale infrastructure)	•Action C	•Action C'	•Action C''



8. Key Message towards “Sustainable Development”

Towards sustainable development





JICA can facilitate Private sector participation for Sustainable Development

Fastest 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 2022)

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

Rs. 56 lakh crore into the infrastructure sector during the 12th Five-Year Plan (2012-17)

(Rs. 24 lakh crore (2007-12)
Rs. 8 lakh crore (2002-7))

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 and financing to India from Japan in five years.

Special Bilateral relationship

Japanese companies are now targeting India as the promising business destination

>No.1 mid-term promising business destination for Japan's manufacturing industry (JBIC 2014)

>Nearly 80% of the Japanese companies in India planning business expansion (JETRO 2014)

Positive Attitude of Private Sector

JICA's function for business environment improvement

- >Infrastructure development,
- >Support for legal system development and internationally standardized contract management
- >Human Resource Development
- >Support to Develop PPP (Public Private Partnership) Projects, etc.

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

Risks still exist

Thank you!

धन्यवाद

