

# JICA's support for Development of Andhra Pradesh

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# ***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

## ***Growing Indian market***

## **"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 promising business destination of Japan's overseas business (JBIC 2015)
- >Nearly 80% of the Japanese companies in India planning business expansion (JETRO 2015)

## ***Positive Attitude of Private Sector***

## **JICA's function for business environment improvement**

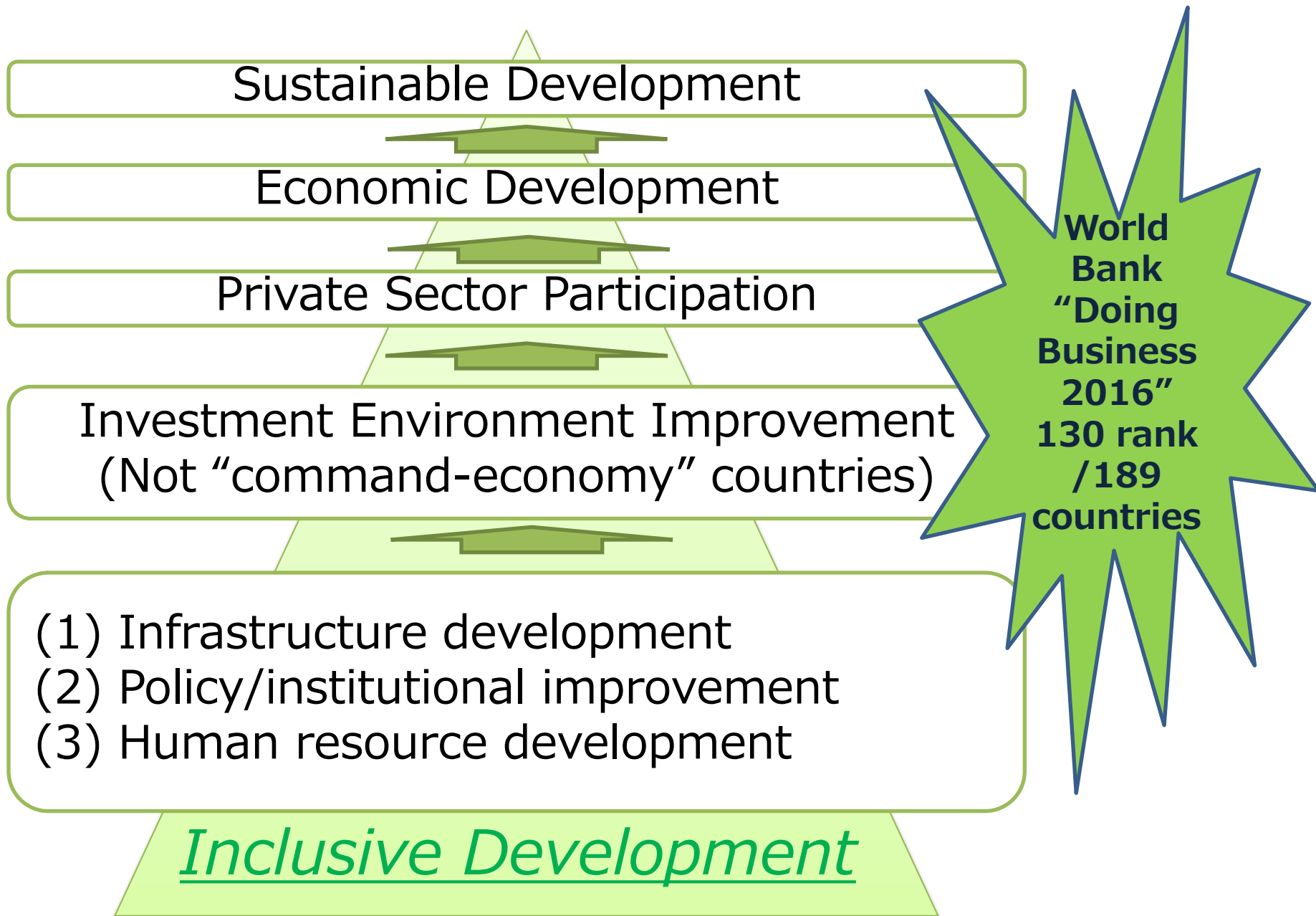
- >Infrastructure development,
- >Support for legal system development and internationally standardized contract management
- >Human Resource Development
- >Support to Develop PPP (Public Private Partnership) Projects, etc.

## ***Various Schemes of JICA***

**Risk factors still exist.**  
**The challenges remain to address to  
reduce the business risks.**  
infrastructure, laws & regulations, etc

## ***Risks still exist***

# Towards sustainable development



# Importance of Andhra Pradesh

## High GSDP growth rate

Average GSDP growth ratio in the last three years is 12.8%.

## Huge infrastructure development needs

- USD 28 billion in CBIC area in AP
- Gigantic needs for Amaravati

## Strong partnership between JPN and AP

- Summit meeting in 2011 recognized the importance of CBIC area
- MOC signed between METI and GoAP in 2015

## Investor-friendly state

No.2 among all the states (DIPP 2015)



# *Towards sustainable economic development*

## Industrial Development

E.g.

- CBIC development
- Agriculture development

## Urban Development

E.g.

- Transportation master plan for the Capital Region
- Vijayawada metro

## JICA's Approach

**Comprehensive, Strategic & Rational**  
**support from upstream to downstream**

### **Preparation of Master Plan**

- CBIC master plan
- Capital Region transportation master plan

### **Feasibility study**

- Irrigation & Livelihood
- Vijayawada Metro

### **Specific Project**

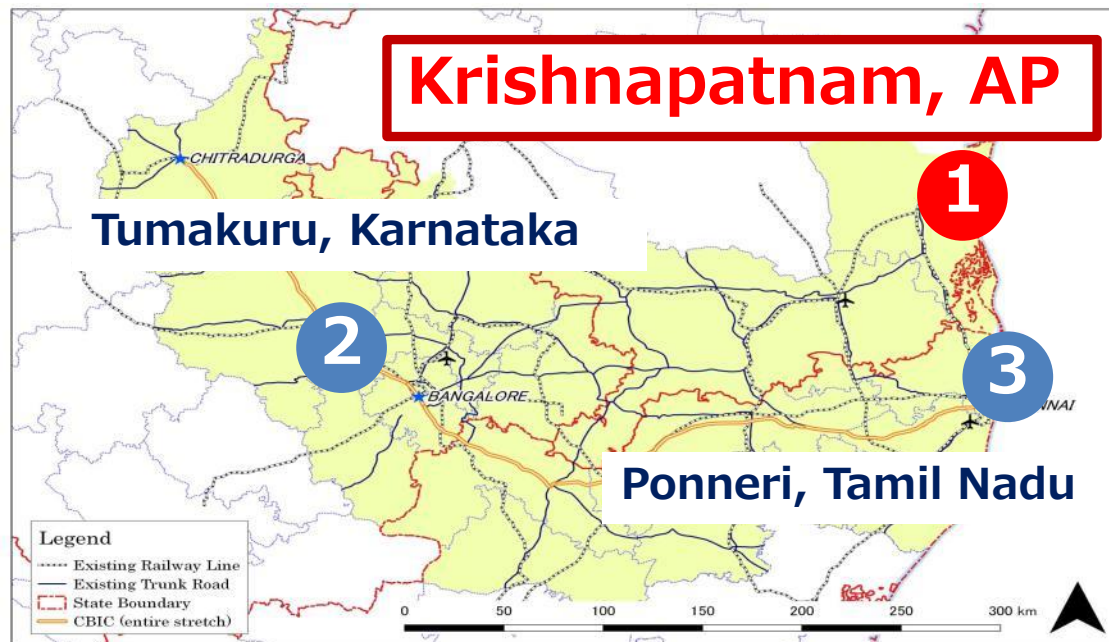
# Chennai Bengaluru Industrial Corridor (CBIC) Master Plan (June 2015)

## Background

- In 2011, both Prime Ministers agreed GOJ to extend financial and technical support to the preparation of CBIC Comprehensive Integrated Master Plan.

## Long term vision

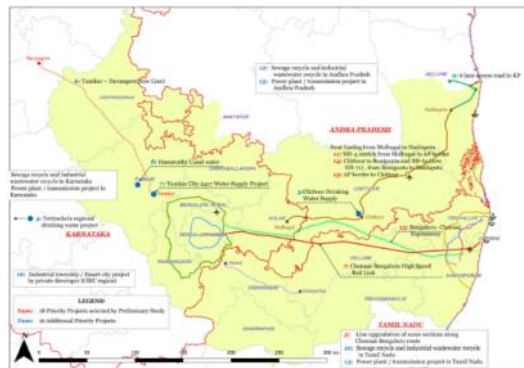
Development as **"a globally competitive manufacturing hub"**



- ◆ Selected Nodes :  
Ponneri, Tumakuru & **Krishnapatnam**
- ◆ Target Period :  
20 years (2014-2033)

## Infrastructure Development and Policy Improvement for CBIC

34 projects are identified as prioritized.



### Examples of Priority Projects in AP

- 6 lane access road to Krishnapatnam port
- 4 laning of NH-4 stretch in AP border
- Chittoor drinking water supply
- Sewage and wastewater recycle Project

### Ex. of recommendations on investment environment improvement

#### Business Process

- Simplification of investment clearance system
- Establishment of “real” single window mechanism with transparent monitoring and tracking system

#### Skill development

- Improvement of curriculum for skill development institute

#### Industrial park / Cluster

- Development of higher level of infrastructure and soft service

c.f. CBIC report (summary)  
CBIC report in Japanese

<http://libopac.jica.go.jp/images/report/P1000024951.html>  
<http://libopac.jica.go.jp/images/report/P1000024945.html>

## AP irrigation & livelihood improvement project (2)

### **1. Background**

- Huge area (26% of potential land) is not irrigated due to shortage of irrigation infrastructure and inadequate maintenance.
- Collective approach and proper farming & post harvest activities are required.

### **2. Project Scope (tentative)**

- 1) Rehabilitation of irrigation systems
- 2) Institutional / Capacity development of farmers' group
- 3) Enhancement of production, post harvest activities and marketing

### **3. Target Area (tentative)**

All 13 Districts in AP

### **4. Current Status**

- ◆ Project is listed in rolling plan issued by central government
- ◆ JICA is conducting a data collection survey



*For improvement of farmers' livelihood*



# Comprehensive traffic and transportation study (CTTS) for the Capital Region

## **1. Project Scope (tentative)**

- Long term comprehensive transport master plan 2050
- (Pre) feasibility studies for prioritized projects

## **2. Target Area**

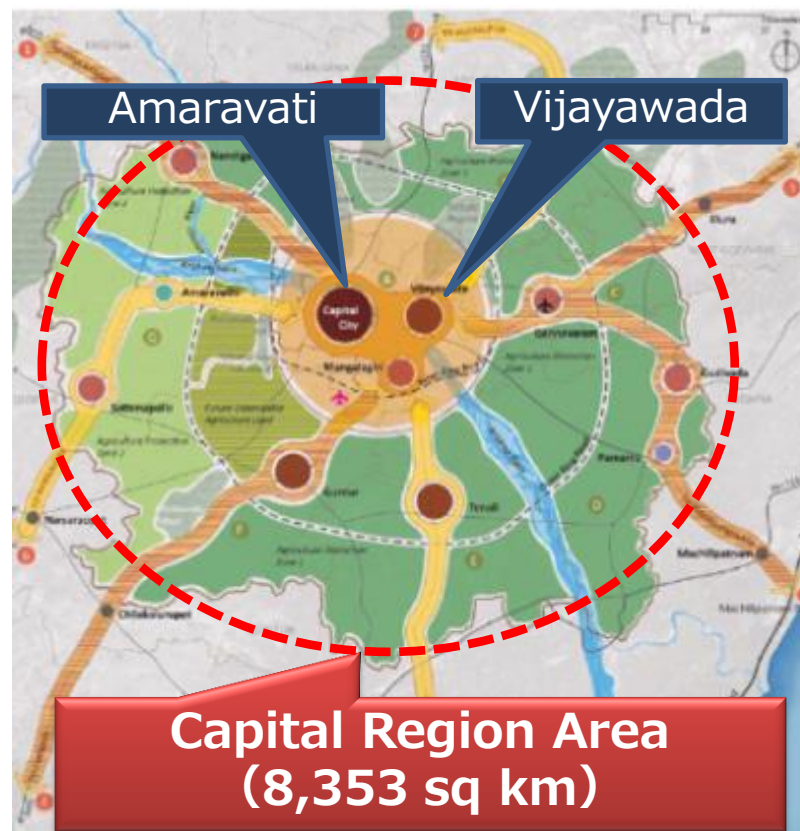
Capital Region Area (8,353 sq. km)

## **3. Implementing Agency**

AP Capital Region Development Agency (APCRDA)

## **4. Current Status**

MoC signed between METI & GoAP in Oct 2015  
GoJ is scrutinizing to launch this T/A



Under this T/A, introduction of advanced technologies, such as rational city transportation system and intelligent transport system (ITS), would be considered.

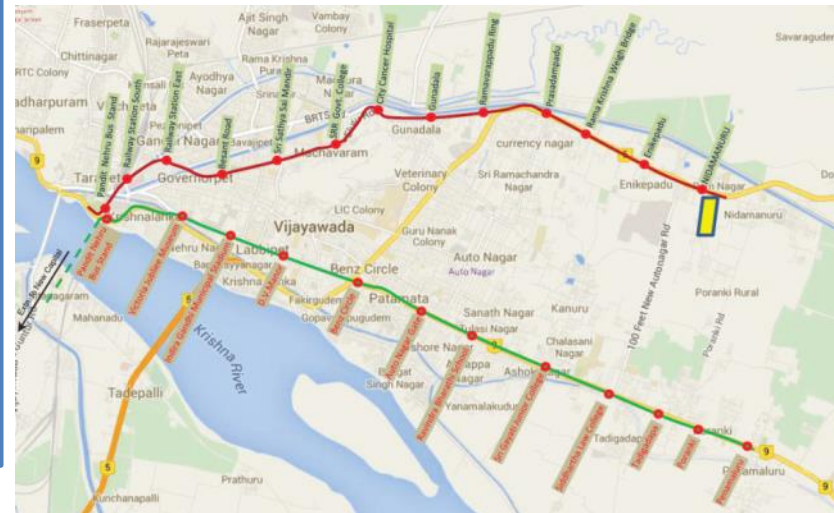
# Vijayawada Metro Project

## 1. Project Scope (tentative)

Development of 2 MRTS lines in Vijayawada (total 26km: elevated)

## 2. Current Status

- Project is listed in rolling plan issued by central government
- JICA is conducting a study to review DPR



*Candidate for special loan  
(Bilateral tied)*

	Special loan (Bilateral tied)	c.f. General untied
<b>Prime Contractor</b>	Japanese, Indian or JV of Japanese and Indian companies	Any company
<b>Country of Origin</b>	More than 30% from Japan and India respectively	Any country
<b>① Repayment period</b>	① 40 years	① 30 years
<b>② Interest rate</b>	② 0.30%	② 1.40%

Special loan (Bilateral tied) is introduced for 1) realization of "Make in India" and 2) enhancement of transfer of technology. (\*)

(\*) Participation of Japanese consulting firms can also facilitate transfer of technology.

## Points to be considered (1)

# Industrial Development

- Competitiveness / Attractiveness
  - Comparative advantage
  - Value chain and market accessibility
  - Early development of trunk infrastructure
- Balanced development
  - Social safeguards (care for vulnerable persons)
  - Environmental considerations



*Good preparation  
generates good  
impacts!*

## Points to be considered (2)

# Urban Development

- “Quality Infrastructure”
  - Long term development scenario and future demand
  - Choice of the best value for money technology to minimize life cycle cost and maximize economic impact (NOT cheap but nasty)
  - Coordination among public/private stakeholders for better service

*“Quality infrastructure” for  
inclusive, sustainable and  
resilient growth!*